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AMERICAN NATIONAL LIVE STOCK ASSOCIATION

PUBLISHED MONTHLY

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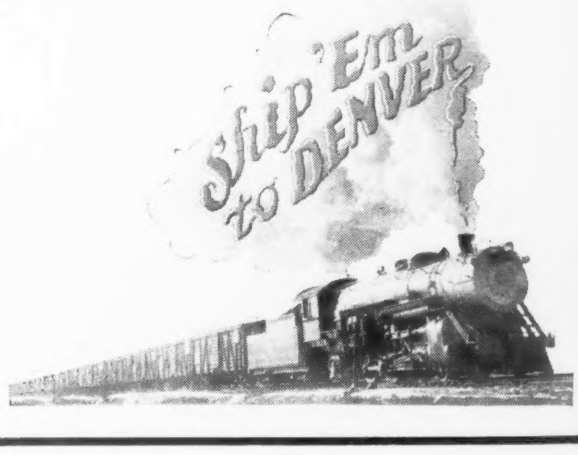

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THE PRODUCER
THE NATIONAL LIVE STOCK MONTHLY

Volume XV | DENVER, COLORADO, MARCH, 1934 | Number 10

The Western Cowhorse

BY DAN D. CASEMENT

Juniata Farm, Manhattan, Kansas

IT SHOULD BE MADE PLAIN IN THE BEGINning of this article that the conclusions drawn therein relative to the development of the various types of horses now commonly used in working cattle in the West are not based on actual, known records or supported by authentic historic facts. They represent rather my own personal opinions and surmises resulting from observation, and are in truth merely deductions, which seem to me, in the light of my experience and fallible knowledge, to be fairly logical.

Undoubtedly the horse used exclusively on the early "cow hunts" in Texas was the direct descendant of the horses brought to this continent in the sixteenth century by the Spanish adventurers and explorers. These Spanish horses, brought over by the conquerors, clearly sprang from Arab and Barb blood, and represented the highest achievement then attained in the development of equine beauty, grace, speed, endurance, intelligence, and character. Many generations of close association with men utterly dependent upon them for their very existence had firmly fixed in animals of these breeds characteristics which had given to their riders in past centuries temporary supremacy over all lands of the known world. Superimpose on a background of such blood the consequences of the normal operation of the law of the survival of the fittest, which had its merciless way with these horses and their wild descendants for four hundred years in our arid, inhospitable West, and you have the Texas Mustang of the sixties, equally capable at cow-hunting in the brushy country of the coast or at buffalo-running on the high plains.

Texas Mustang a Wondrous Animal

He was in truth a wonder horse. Doubtless the four hundred years of his arduous struggle with

A GOOD KIND OF "QUARTER-HORSE" FOR COW-WORK

nature had subtracted something from his beauty and grace of outline, but had left his intelligence unimpaired, and had added immeasurably to his stamina and resourcefulness. Mounted by the reck-

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less Texan, he played the star part in recovering and restoring to man's ownership the countless cattle that had gone wild and multiplied in the Southwest during the years of the Civil War. Later he led, pointed, flanked the great droves, and bit viciously at the drags as they marched up the trail in search of

A TYPICAL "TOWN-HORSE"

new markets, or to stock the northern ranges just vacated by the bison. Small in size, angular in outline, he had an undaunted spirit and an uncanny instinct for cow-work. Whether swimming swollen rivers or heading mad stampedes in darkness and storm, he was always supremely dependable. We shall never see his like again.

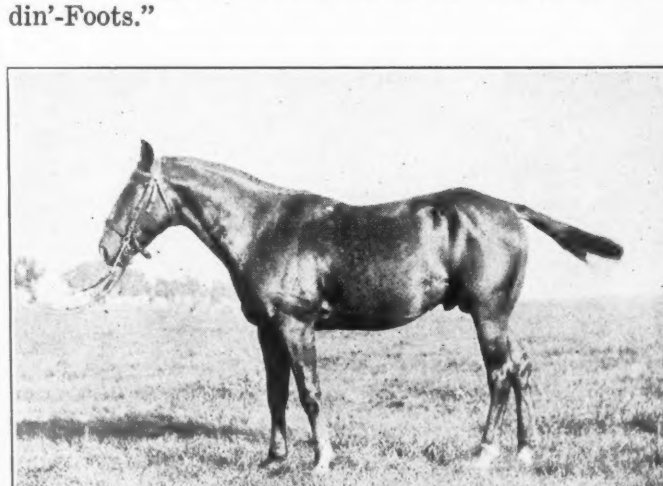
In preparation for his incomparable work with cattle, the Mustang had doubtless served a long apprenticeship with the plains tribes of Indians as a buffalo-runner. It is not unlikely that he was first domesticated by the Comanches—the most accomplished horsemen among the southern tribes. Certainly the Sioux and their neighbors of the North had long ridden horses of identical origin, similar in characteristics and appearance, yet stockier in build and somewhat larger in size, because of the more abundant and nutritious forage of northern ranges and the greater severity of northern winters. Of such blood undoubtedly were most of the mounts ridden by the daring messengers of the Pony Express during the memorable years when that picturesque service was adding color and romance to the history of the frontier.

Certain it is that, for at least three decades, during the rise and development of the range cattle business, the Spanish Mustang was the accepted cowhorse of the western ranges. Gradually his blood was chilled by that of the driving- and draft-horses of the settlers. With the stocking of the mountain ranges there came demand for a larger horse, which, it was thought, could carry weight more effectively in rough country. In meeting this demand, many strains were fused with the thinning blood of the old Mustang. It has seemed to me that, in this process, gains in weight and substance were, in most cases, more than offset by losses in endurance, handiness, and cow-sense, which distinguished the original Texas bronco.

Clydesdale and Percheron Sires Used to Impart Bulk

Apparently at one time in Oregon this requirement of greater size was largely supplied by the use of Clydesdale sires. The result was a short-set, compact mount, with large bone and hairy legs, possessed of many admirable qualities. I have heard this cross referred to as the "Oregon Lummox;" the name seeming to denote inactive, clumsy traits, which, however, were surprisingly contradicted by the animal's performance.

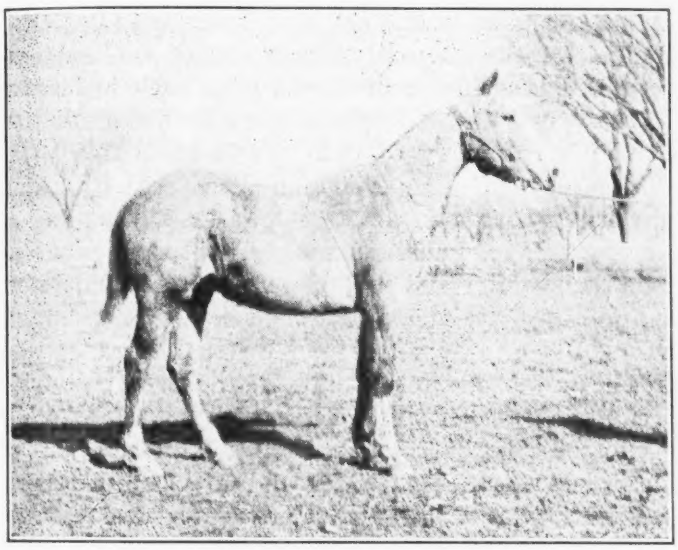
In Montana and the Dakotas the Percheron seems to have been the accepted sire for use on Indian ponies, and, while the persistence of this cross in the North attests its suitability to the work on those ranges, in the faster country of the South its occasional introduction gained little favor with riders, accustomed to more agile stock, who often contemptuously designated these horses as "Percheron Puddin'-Foots."



"STEEL DUST" STALLION "BALLEYMOONEY"

By the early nineties the mount commonly used for cow-work in the North was a rather nondescript animal, demonstrating only in rare instances the great ability of the old Mustang of trail days. It is rather a consequence than a coincidence, perhaps, that the range cowhorse deteriorated, through breeding, in those peculiar qualities essential to his greatest usefulness, at the very time that the cattle of the

ranges were undergoing vast improvements through the introduction of purer and better strains of blood. While first the Shorthorn and then the Hereford bull were altering the color and shape, and shortening the horns, of the Texas steer, they were also working a marked change in his very nature. In round-up or on trail he could no longer be handled with the dash and speed and ease to which his forebears had accommodated themselves instinctively. As this change progressed, it was not uncommon to hear an old cowhand declare that he would rather work with Longhorns than with well-bred cattle at $5 a month less



A TYPICAL "STEEL DUST"-SPANISH CROSS

This horse became famous as a veritably indestructible animal. He played polo in France, and afterward gained an enviable reputation as a hunter.

wages. The slower, more domestic, less primitive cattle did not offer the incentive for the development of finished cowhorses that had prevailed in the earlier and more romantic period of the industry.

Better Type of Saddle-Horse Developed in Southwest

But, while the breeding of horses for cow-work in the North proceeded along more or less haphazard lines, a better type of mount was fortunately undergoing development in the Southwest. There the Texan, with his love of sport and horse-racing inherited from his Cavalier fathers of the old South, had introduced a type of running-horse produced by generations of selective breeding to embody to a high degree the exact qualities which the ranchman of the Southwest valued most in a saddle-horse, whether for racing or for meeting successfully the requirements of his day's work. This type was known as the "Quarter-Horse," because of the surprising speed it could show from a standing start at short distances up to a quarter of a mile.

According to the best authorities, this horse originated in Virginia and the Carolinas in colonial times, and was produced by selective breeding to combine those qualities most essential to pre-eminence in the short-distance races, to which these early colonists were addicted, conducted under peculiar and exacting conditions. Similar races—even as short as ten or thirty yards, and up to a furlong or quarter—started by the riders themselves on the "ask and answer" system, or by some other equally strange device, were popular on the western ranges no longer than forty years ago. For such a test a horse must have a patient disposition, a level head, close conformation, and massive muscular development capable of instant liberation into dynamic speed. These qualities were doubtless fixed and augmented in the colonial ancestors of the modern Quarter-Horse by occasional infusions of the blood of certain imported Thoroughbreds which happened to conform to needed requirements in respect of their small size, close conformation, and massive muscles.

These horses naturally accompanied their masters in their invasion of the newer lands beyond the Appalachian range, and in time were known throughout Kentucky, Tennessee, southern Illinois, and Missouri by various family names inherited from the more notorious sires of the strain. Thus we find their descendants in later years designated as Copper-Bottoms, Cold-Decks, Kentucky Whips, Printers, Steel Dusts, Billy-Horses, etc. For my own belief bearing on the origin and spread of this strain of equine blood I am chiefly indebted to the late William Anson, of Cristobal, Texas—doubtless our leading authority on the subject. He once wrote me that, after an extended correspondence with the secretary of the Morgan Club, they had both reached the conclusion that Justin Morgan himself was a Quarter-Horse. If so, his is the only branch of the blood that has attained to the dignity and permanence of an official book of record.

"Steel Dust" Progenitor of Famous Strain

Today, throughout Texas and the Southwest, the term "Quarter-Horse" is practically synonymous with the name of "Steel Dust." Tales of the coming to Texas of the famous founder of this family have today taken on something of the quality of fable or fiction. At only second-hand from a reputed eyewitness, one of these stories has been related to me. According to this version, the celebrated horse was brought into Texas for the express purpose of defeating an unbeaten champion of a certain locality. The tale is quite circumstantial as regards the character and appearance of Steel Dust. In his conduct and conformation, I am informed, there was, prior to the race, little to indicate his great speed and courage. As a consequence, the backers of the local horse were so

confident that the result of the race virtually impoverished the entire community. Other similar stories tend to cloak with mystery the initial appearance in the Southwest of this noted ancestor of the modern Texas Quarter-Horse. Of his prolificacy there can be no doubt. Soon his name became the symbol of a distinct equine type. His progeny had the power to work a surprising improvement in the conformation of the Texas bronco, without detracting from his invaluable cow-sense and stamina. Similar improvement, in shape at least, results today from crossing a certain compact sort of Thoroughbred on an Arab mare.

Undoubtedly old Steel Dust and his numerous offspring put breeches on the Texas pony, rounded his outline into fuller and more pleasing shape, and in time imparted to him the small, alert ears, the well-poised front, the short, deep barrel, and the massive arms and thighs which have become distinct Quarter-Horse characteristics. This was the "pet," the "town-horse," of the top cowhand of the early nineties; the race-horse and fabulous "chop-horse" of every remuda; the relay-horse of the county fair. He surpassed at busting a steer in the roping contests of those days. He commonly supplied to rustlers and outlaws their best guarantee of life and freedom. Today he is almost universally the horse that carries to victory the calf-roper and steer-wrestler of the modern rodeo. In the puncher's hyperbole, he surpassed everything in speed and handiness. He could beat a prospective rival by any conceivable distance, "from the length of a spoon-handle till you starve to death." He could "turn on a dime and give you back a nickel in change." Indeed, he could even "swallow himself." Often there persisted in him certain unpleasant inheritances from the rebellious blood of a remote Spanish dam which inclined him unexpectedly to explode with devilish energy. At such times he could "sun-fish" and "swap ends" with unequaled celerity, and with results humiliating to his rider, who, casting about for a phrase fittingly descriptive of the altitude reached by the pony in his frantic pitching, would quite seriously declare that he had "wiped his tail on the moon."

Quarter-Horse Blood Still Evident in Polo Ponies

In the early days of polo in the East, when the rules of the game restricted the mounts to a height of fourteen and a half hands, ponies of this strain were played practically to the exclusion of all others, and demand from this source gave some impetus to their production. The realization that his "pet" horse could command a surprisingly high price on the eastern market gave the cowboy a comfortable assurance and pride in his possession. With the amendment to the rules, which now place no restriction on the size of ponies, and with the consequent evolution of the game into a contest of weight, wind, and long-sustained speed, an insistent demand for larger horses of Thoroughbred blood arose to dispute the previous pre-eminence of the western Quarter-Horse on the polo field. His qualities are, however, so precious and persistent that one may frequently detect unmistakable evidences of Quarter-Horse blood in ponies appraised at very high values and presumably of pure Thoroughbred origin.

Whenever some particular strain of equine blood has come into wide prominence by reason of unusual traits or peculiar fitness for a special purpose, strange incidents and anecdotes usually give color to its background. Quite naturally, the story of the western cowhorse is richly embroidered with such incidents. As a case in point, a strain of large local fame in the Bear River country of Colorado is attributed to a stocking-legged, glass-eyed dun discovered by some discerning horseman in the menial task of pulling a slag-cart on a Pueblo dump. This horse sired a remarkable crop of short-distance racers, and later his fillies produced offspring of even greater prowess when bred to a famous Quarter-Horse, who, so the story runs, had gained admission to the Thoroughbred Stud Book through a fictitious pedigree. A stallion of this latter strain, still living, is responsible for a sizable string of palomillas that now give color, character, and quality to the large remuda which works the Alamositas Ranch of the Matador outfit. This remuda is fairly representative of the kind of horses now commonly in use for working cattle on the larger ranches of the West. Doubtless Spanish blood was abundant in its earliest beginnings, and Steel Dust studs probably played a part in shaping its present foundation. Later there was imposed—unfortunately, perhaps—much of the blood of a roan standard-bred pacer. More recently several excellent Thoroughbreds have been used; and Morgans, mainly of a sort prevalent in the Southwest—upstanding, bulky, heavy-boned—contrasting with the glossy Green Mountain type almost as widely as a Suffolk cart-horse differs from the cocky leader of a sporting tandem; and finally the yellow Quarter-Horse mentioned above. Lines of breeding similar to those traced here mark many of the horses now used after cattle in the West.

The activities of the American Remount Association and its introduction of large numbers of Thoroughbred sires have in late years noticeably improved western saddle stock. A limited demand for polo ponies and promise of a growing call for hunters have supplemented to some extent the normal requirements of the army for cavalry replacements. But, in general, the lack of a definite and active market has discouraged breeding. A further handicap

to quantity production is imposed by the circumstance that, while well-turned and handy geldings may in many localities still be disposed of for cow-work at passable prices, their equally numerous sisters are practically unsalable—even for canning—unless their schooling and finishing for a notoriously feeble and fickle eastern market is elaborately undertaken, at great risk and much expense.

Market for Draft-Horses Reviving

The market for draft-horses recently experienced a surprising revival. Range breeding of heavy horses was discontinued with the advent of the motor truck. The discouraged farmer, as if convinced that the draft-horse was destined for extinction by the tractor, neglected to breed his mares. Suddenly a sadly depleted supply met an active demand, and heavy work-horses were not simply salable, but were eagerly sought.

If the country is again restored to an economic status that will permit fuller indulgence in leisure, it is practically certain that our people will turn for recreation to the saddle-horse with greater enthusiasm than ever before. In this hope and expectation, it is not illogical for those who can do so most economically to continue the breeding in moderation of the type of saddle-animal that will best fill the prospective demand. The production of such animals under range conditions is not an expensive process, aside from the loss involved in the use of forage by stock having at present only a potential value.

Wherever cattle are run in large pastures, or are handled under range conditions, horses capable of working under saddle with at least some fitness for the job are indispensable. The greater ease and satisfaction with which such work can be performed on a real cowhorse should serve as sufficient inducement for cattlemen intelligently to produce the type of mount best suited by size, conformation, and inheritance to meet their requirements. If such a custom were adopted even on a limited scale, there would be reason to hope for the continued survival of the equine type which proved itself peerless in the conquest of the West. In my judgment, this type is most perfectly exampled in the cross produced by the Quarter-Horse on the old Spanish Mustang mare. For this reason, I hold that it will be a distinct economic loss if the wild horse of the old West—the typical Mustang of pure Spanish origin—is permitted to share the fate of the bison.

Canada to Reduce Wheat Acreage

Agricultural experts of the Dominion government are studying a plan for the reduction of Canada's wheat acreage by 4,000,000 acres, or 15 per cent, in 1934, in order to comply with the international wheat agreement.

CATTLE PRODUCTION AND MARKETING IN ARGENTINA

BY THOMAS HOGG

Argentine Vice-Consul, Chicago, Illinois

BECAUSE OF HER NATURAL ADVANTAGES, ARGENTINA is the greatest surplus-producing cattle country in the world. Her population is estimated at 12,000,000 people, while its density is approximately 7 persons per square mile. Taking into account the extent and productive capacity of her soil, it is estimated that she could easily maintain a population of over 100,000,000 people. Her cattle business is organized for supplying a population at least double the number she now has.

Many climatic factors are advantageous to Argentina. The northern boundary of the country is at 21° 40′, corresponding to a latitude of the north coast of Yucatan in our hemisphere, while the southern boundary is 56° 04′, corresponding to the southern end of Hudson Bay. This is a distance of 2,400 miles, or approximately the distance by air from New York to Los Angeles. Among the large grain-producing countries, Argentina ranks fourth in respect to area under cultivation as well as total production, but she occupies first place in volume of exports. The amount of these feedstuffs being used for cattle production is gradually increasing, and indicates the ability of the country to maintain its cattle production over many years.

Of 613,000,000 acres of land in Argentina, some 273,000,000 are in good pasture, while 70,000,000 additional acres are under cultivation. The central region of the country produces about 70 per cent of all the cattle, including practically all the improved and highly beef-bred stock. While there are many *estancias* still that are devoted exclusively to producing cattle, the more modern and typical Argentine ranches devote portions of their acreage to sheep, hogs, wheat, maize, and flaxseed. However, the production of beef steers of the type required for export is the predominant line of business.

More than 50 per cent of the animals slaughtered in 1932 went into export channels, the development of this trade being shown in the following table (five-year averages, in pounds):

	Meat	Hides	Milk Products
1910-14	1,125,824,000	280,896,000	14,784,000
1915-19	1,402,688,000	275,072,000	37,632,000
1920-24	1,550,304,000	350,784,000	84,448,000
1925-29	1,959,328,000	398,944,000	89,600,000

The methods employed in the breeding and raising of cattle are very simple as compared with those of other cattle countries. The stock grazes the year around in what should be called meadows rather than pastures, which are covered with ryegrass and alfalfa, green and succulent 365 days of the year. The alfalfa belt comprises approximately 40,000,000 acres, covering about half of the area in each of the provinces of Entre Rios, La Pampa, Cordoba, and Buenos Aires. All cattle in this great belt are highly bred, although in parts of Entre Rios, Santa Fe, and Cordoba, as well as in the province of Corrientes and in the wild range country of the west and south, there are more so-called native cattle. Ninety per cent of the cattle are sent to the block directly from the pasture, being somewhat soft-fleshed and shrinking a great deal in weight en route to market. This was especially true before 1923; for up to that time about 80 per cent of the cattle were driven to the markets. Now they are practically all shipped by rail, the longest haul being about 300 miles.

Previous to 1923 a large proportion of the cattle were purchased on the range on a basis of the estimated dressed

MAP OF ARGENTINA AND URUGUAY, SHOWING LOCATION OF PACKING-HOUSES AND SLAUGHTERING PLANTS

weights, but under the law passed that year it was provided that all purchases should be based on the weight of the animal at the slaughter-house, at so much per kilogram (2.2 pounds) live weight.

About 12 per cent of the total cattle sold in Argentina are purchased in the open market; the most important markets being Tablada and Liniers in Buenos Aires city, Rosario in Rosario city in Santa Fe province, and Avellaneda in Buenos Aires province. Besides these, there are a few smaller markets. The selling methods used in these markets are practically the same as those used in central markets in this country. The shippers send their cattle to a commission firm, which sells them at the highest price it can get for that day, according to grade and general price-level.

About one-third of the cattle, year in and year out, are sold at public auction. This method is most popular in the interior of the country, especially in small towns, where the buying is usually done by local butchers, feeders, traders, or occasionally by packers. These auction sales are known as *ferias* (fairs), and are held at times usually advertised in advance by the auctioneers. Their frequency is determined both by the requirements of the buyers and also by the volume of live stock to be sold. Most of these auction sales are handled by a relatively small number of auction firms, which are scattered all over the country. They use the latest methods of accounting for yarding, feeding, and easy handling of the live stock during the time of the fair. These *ferias* last according to the number of live stock to be sold, and during the time they are being held the cattle are usually fed with alfalfa or rye hay. One of the largest of these auction firms is that of Adolfo Bullrich & Co., which has branches all over the country. On Leandro Allen Street in the city of Buenos Aires, on what might be called the near north side of the city, Bullrich & Co. have a large installation, with pens, sale pavilion, etc., at which the principal sales include pedigreed live stock, both domestically bred and imported. In San Justo, about five miles from the city of Buenos Aires, is an even more commodious auction-ring and sales-yard, at which both fat cattle and breeding cattle are handled.

Something over half of the live-stock breeders ship directly to the packing-houses. Most of them have special arrangements with the packers governing the time they will send their cattle for slaughter, and also governing the quality and finish of the cattle to be sold.

The government inspection is under the supervision of the Secretary of Agriculture, but is administered by the Director of Live Stock. He has charge of the Division of Sanitation, of the control of disinfection of live-stock transportation agencies, of packing-houses, of the commerce in meats, of the services of animal husbandry, of the records of market receipts, slaughter, etc., and of the inspections for import and export. The section dealing with live-stock markets is divided into five main branches, one each for the markets of Liniers, Tablada, Rosario, and Avellaneda, and the other for the small markets.

Government inspection of meat animals is first performed at the farm by the local or district veterinarian, who gives the rancher a certificate authorizing him to move the herd or lot of cattle from that farm to the nearest railroad station or to be loaded into trucks. When the cattle are loaded in railway cars, they are inspected a second time before being loaded, and if there is any animal with symptoms of disease, the lot is held according to the character of the disease discovered. The government requires the disinfection of railroad cars, trucks, and other means of transportation, the inspection being done by the same government representative who inspects the cattle.

On arrival in the market, another inspection is required, and in case some of the animals show any kind of sickness, they are held in quarantine until they have recovered. Post-mortem inspections are of practically the same type as in the United States.

Up to about 1900 the outlet for cattle and beef was largely limited to local consumption. The principal demand for beef came from the city of Buenos Aires, and, though this source required over a half million head annually, there was an enormous surplus. Beef was both the most plentiful and the cheapest food commodity available.

It was about this time that the frozen- and chilled-meat business with England was initiated on a broad scale. An experimental shipment of frozen beef was made in 1877 by a French steamer, which took 104 days for the trip, and, although most of the meat had been frozen 110 days, a portion of it was still edible. In October of the same year the vessel "Paraguay," equipped to refrigerate meat at a temperature of 17° F., took 5,500 mutton carcasses to France and landed them in Havre in perfect condition. By 1902 four *frigorificos* had been built, and, as a result of their work and

the improvement in transportation, Argentine chilled beef has become one of the standard products in the British market.

The importance of the part played by the *frigorificos* in providing a market for the cattle industry and in stimulating cattle improvement cannot be overestimated. In 1900 the best steers brought 45 pesos ($18), but during periods of good prices they have been sold as high as 280 pesos ($95), although they are not at that level now. At the same time, the carcass weights have increased from about 495 pounds to 715 pounds.

In the last thirty years the number of *frigorificos* has been increased from four to eighteen, while two factories and ten *saladeros* have been added. In American parlance, a *frigorifico* would be a modern packing-house; a factory would be a plant for slaughtering, canning, and making sausage, but not extensively equipped with refrigeration; and *saladeros* are slaughter-houses which manufacture dried meats, process hides and fats, tan leather, but do little canned-meat business.

Several of the American packers are represented in Argentina. These plants are located in La Plata (2), Rosario, Avellaneda (2), San Julian, Santa Cruz, and Rio Gallegos. The Vestey interests from England have one large plant in operation, known as the Anglo, located in Avellaneda. In Zarate also is another packing-plant owned by English or Argentine capital, known as the Smithfield and Argentine.

All the *saladeros* are owned by Argentine capital, the one at Liniers, in the city of Buenos Aires, being owned by the municipality itself. The two factories are Liebig and Bovril. Both of these companies are of English ownership, and the Prince of Wales is one of the largest stockholders in the Liebig plant. These latter two factories own their own ranches and breed quite a number of their own live stock. Liebig has over 800,000 head of cattle on several ranches, while Bovril also feeds quite extensively. One of the most important of the Argentine *frigorificos* is the Company Sansinena, which has its La Negra plant in Avellanedo and its Cuatreros plant in Bahia Blanca. In addition, there are the Buenos Aires plant at Arana, the Frigorifica Argentina in Rio Grande, and the Cooperativa in Puerto Deseado in Patagonia.

About 40 per cent of the total cattle business in 1932 was export. There are three chief classes of Argentine beef cattle—chillers, freezers, and canners. England takes most of the chilled beef, and France and Belgium most of the frozen. In 1932, Argentina exported almost 800,000,000 pounds of chilled beef, out of a total of nearly 1,100,000,000 pounds.

As in the United States, agriculture in Argentina has been in an unfavorable position since 1921, and this has reflected very unfavorably on the country, because of the fact that 95 per cent of Argentina's exports consist of agricultural products.

Argentine Meat Exports

Exports of beef and mutton from Argentina for 1933, as compared with 1932, are officially given as below:

	1933	1932
Beef quarters, frozen	538,463	654,096
Beef quarters, chilled	4,838,091	5,056,703
Mutton carcasses	522,055	537,551
Lamb carcasses	3,413,750	3,359,246

Normally, between 80 and 90 per cent of Argentina's beef exports are marketed in Great Britain.

TRANSPORTATION, REGULATION, AND CO-ORDINATION*

BY CHARLES E. BLAINE

Traffic Counsel, American National Live Stock Association, Phoenix, Arizona

THE TOPIC ASSIGNED ME IS "TRANSPORTATION, Co-ordination, and Regulation." I am going to change that a little and make it "Transportation, Regulation, and Co-ordination." As my time has expired before I start, I shall make it as brief as possible, not going into a great many refinements.

Transportation is as old as the human race. It is in various forms, but I am going to deal with it particularly as it affects the United States. I will classify it briefly into the stage-coach, the railroad, the motor vehicle, and the aeroplane.

Our water transportation is divided roughly into that on the high seas, that on the lakes, and that on the rivers. The stage-coach and the freight line were used as a medium of transportation at the inland points not served by water.

About a century ago railroads came into service in the United States. With the march of progress, many of the water lines passed out of existence, and the stage-coach freight line also passed out. From 1830 to 1887—a period of some fifty-seven years—the railroads were not regulated. About 1860 a great amount of construction was started, which continued until approximately 1906 or 1907, at which time there were about 250,000 miles of main or first traffic lines. Today we have approximately 247,000 miles. There has been an abandonment of branch lines, which is going on rapidly. In 1932 we had 247,595 miles of main line. During 1933, 1,247 miles were abandoned. The railroads, as you know, were granted subsidies by the government in the form of land grants, gifts, and other donations. Their bulk value today is approximately $26,000,000,000. Of that amount, 56 per cent represents indebtedness. Railroads were recognized as the backbone of transportation. In fact, they formed a gradual monopoly from about 1890 until approximately 1916.

Motor-Vehicle Competition

In 1900 the motor vehicle first came into use in this country. Its growth has been very, very rapid. As a result, it has taken from the railroads much of the traffic which they formerly enjoyed. Especially is this true of the passenger business. But the traffic has not been taken from the railroads by the passenger buses—it has been taken from them by your automobile and mine. The passenger business of the railroads never was very profitable, but since 1920 it has been growing less profitable, until during recent years we find that for each dollar the railroads take in for passenger revenue they have been spending as high as $1.38. For example, in 1931 the revenues derived by the railroads from their passenger business fell short by $89,625,000 of paying the actual expense incurred in conducting that business. Of that amount, the deficit in the Western District—that is, the territory, roughly speaking, west of Chicago and the Mississippi River—was $63,526,000. The deficit increased in 1932, when in the United States as a whole it was $112,899,000, and in the Western District, $73,651,000.

As shippers of freight, you gentlemen have paid and borne the passenger deficit in your freight rates. The railroads, however, realizing that their overhead remained prac-

*Address delivered at the annual convention of the American National Live Stock Association in Albuquerque, New Mexico, January 10-12, 1934.

tically the same, whether they were carrying much or little passenger traffic, have been experimenting during the last few years. Effective December 1 of last year, the lines in the Western District made substantial reductions in the passenger fare. The basic fare since 1920 has been 3.6 cents per mile. The railroads have made a sweeping reduction in that fare to approximately 2 cents per mile. They have also eliminated the Pullman surcharge. The reports we have received so far indicate that they are carrying a great many more passengers. The time is too short, however, during this experiment to determine just how the revenue will come out. But, as one official told me the other day, "we can't lose more than we have been losing; so the public will be the beneficiary of what we are doing."

In recent years the automobile and the truck have been criticized by certain interests for inroads upon the passenger and freight traffic. It has caused bitter feeling between operators of motor vehicles, on the one hand, and the railroad people, on the other, and has resulted in much regulation, and proposed regulation, of various forms of transportation. In fact, it has resulted in charges being made between the two forms of transportation, to the extent that the government has interested itself to determine just what the facts are. The last session of Congress created the office of Co-ordinator of Transportation. That position is now held by Joseph B. Eastman, a member of the Interstate Commerce Commission. I will touch upon the duties imposed upon him by Congress a little later.

During the past five years the trucks have given to the shippers lower rates, and in many cases have improved the service. The railroads, having had a monopoly for so long, thought that they should base their rates on what the public was able to pay. That has been their basis for years.

Although the railroads have been in existence for a century, they will frankly tell you they do not know what it costs them to transport a given commodity between any two points in the country. Cost-finding, with the railroads, has not been given much attention, although there have been certain cases wheree they came before the commission and attempted to show what it cost them to transport freight. I think I can give you a representative case of this. When the railroads from the Atlantic to the Pacific want to carry freight at lower rates than they maintain at points in New Mexico or Arizona, Nevada, or Utah, they will go to the commission and say: "Now, it costs us so much to transport this freight to the Arizona territory or to California terminals. The rates which we propose to put in are slightly higher than that; therefore they will give us some increased revenue." They have sought what is termed "fourth-section relief." Those are the only instances where the railroads will tell you that they are able to find the cost of transportation of a commodity—cases where they have competition.

The aeroplane represents a development dating from 1902. It has made rapid strides. We are now able to cross the continent from Los Angeles to New York City in less than eleven hours. This morning's paper tells you of a trip made by six intrepid aviators yesterday from Oakland in California to the Hawaiian Islands in less than twenty-four hours. I have made that trip by boat, and it required seven days.

Regulation of Carriers

Now, with respect to regulation: Due to many abuses, I will say frankly, in the construction, the financing, and the rate-making of the railroads, in 1887 Congress enacted legislation, known as the Interstate Commerce Act, for the purpose of protecting the people. That law, while it was on the statutes, was not in such form that it could be administered effectively. In 1907 we had the passage of the Hepburn Act. From that time until 1917, when the United States entered the World War, the Interstate Commerce Commission had been reducing rates right and left. When we entered the war the federal government assumed the operation of the railroads—that is, it paid the bills. Not having an experienced operating staff of its own, it employed the railroad men, who were operating the railroads prior to that, to operate them.

The railroads were returned to their owners on February 28, 1920. At that time they were in a poor physical condition, and public sentiment was that they needed some help. We had the Transportation Act enacted in that year, for the purpose of enabling the railroads to protect themselves against the people. That law bordered on socialism. It provided, roughly, that any railroad making return of over 5¾ per cent under just and reasonable rates should pay to the government one-half of such amount. I am glad to say that the members of this association started fighting section 15-a from the very day it was enacted. Each convention has adopted a resolution in opposition to that section. On June 16, 1933, it was stricken from the law. With that the railroads were relieved of the necessity of paying to the federal government a total of $330,000,000, which amount the government contended represented the increased return over 5¾ per cent, but which had been in litigation and never paid during the years from 1920 to 1933. Approximately $10,000,000 had been paid into this recapture fund by the Shore Lines, and that was refunded to the railroads.

There were other changes made in the law last year, such as the insertion of the consolidation feature, with which time will not permit me to deal. The same act of Congress created the co-ordinator. The duties of the co-ordinator, as defined by Congress, are to make an exhaustive survey of the transportation facilities available, and the needs of the public. That includes not only the railroads, but motor vehicles, waterways, and other forms of transportation.

Before taking up the co-ordination, I want to say that the waterways of the United States—that is, the inland waterways—are not regulated in the same way nor to the same extent as the railroads. The lines passing through the Panama Canal have recently, by act of Congress, been put under the regulation of the Shipping Board. The motor trucks and buses in interstate commerce are not regulated at this time. They are regulated within some of the states, so far as their operation in intrastate traffic is concerned. We find that many of the buses and trucks in interstate traffic are also resorting to the abuses, discriminations, prejudices, and preferences that were formerly heaped on the heads of the populace by the railroads. They are making rates to different individuals on a different basis, and no one knows what rate his competitor pays.

Duties of Co-ordinator of Transportation

Therefore Congress instructed Mr. Eastman to make a comprehensive survey of the facilities of transportation, and to report to the commission, which in turn will report to Congress. Mr. Eastman has been diligently engaged in that work since early in July of last year. He has not as yet filed his first report, but has sent out many questionnaires to both shippers, railroads, and other regulatory bodies, in an effort to determine the facts. Some of the questionnaires have fallen into the hands of the railroads, and there have been a large number of them filled out and handed back to the shippers, to be returned to the Interstate Commerce Commission as representing the views of the shippers. On the other hand, some of them have fallen into the hands of truck and motor-bus

operators, and they in turn have been filled out in the way the motor-bus people would like to have them, and have been sent back to Mr. Eastman. But we are reasonably certain that the present commission will recommend, and that Congress will enact, some form of regulation governing the motor vehicles and some waterways, or that it will relinquish some of the regulations now prevailing in connection with the railroads. Much of that legislation was passed when the railroads had a monopoly. There is no question but that there is need of some form of regulation either affecting the trucks and buses or requiring the relinquishment of that now imposed against the railroads in certain respects.

We are fortunate in having Mr. Eastman represent the federal government in this survey. He is a fair, impartial man, and I feel that our case rests safely in his hands. By that I mean the railroads, the shippers, and the waterways. Our only concern in this matter is that the public be given the right to use the most efficient means of transportation as they are developed; in other words, that Congress does not handicap any one form of transportation for the benefit of the other, but that any legislation which it may enact is in the interest of the public as a whole.

During the time that Mr. Eastman has been making this survey, under instructions from Congress, we find that the railroads have been investigating the motor-vehicle industry. Mr. Eastman, among his other duties, was instructed to go into the cost-finding for the railroads, so that they can determine the cost of performing transportation. It seems rather obvious that, if a man does not know how much it costs him to produce an article, he cannot say whether the sale price he is receiving for that article is fair or whether it is excessive. Notwithstanding that fact, we have very few cases in which a railroad executive has admitted that the rates charged were reasonably low, although they are not able to tell you the cost of performing the service. We hope, with more efficient cost-finding, that we may in the future avoid some of the litigation which is resulting at the present time.

Retirement of Railroads' Debt

Among the matters of which Congress and the President have informed the railroads that they must take care is the question of retiring their debt. As many of you know, railroads are financed principally by long-term bonds, at rates of interest ranging from 3½ to 5 per cent. On this subject the Interstate Commerce Commission, in its annual report for 1933, submitted the following recommendation to Congress:

"It has been the policy of railway companies to provide for their financial requirements largely through the issue of long-term bonds, which at maturity are refunded. While the bonds are refunded, the indebtedness evidenced by them is ordinarily regarded as perpetual, and no provision is made for its ultimate liquidation. The result is that the funded debt of the railway companies is constantly increasing as their investment in railway properties is increased.

"From December 31, 1919, to December 31, 1932, the funded debt of railway companies . . . outstanding in the hands of the public increased approximately 22 per cent, or from $9,733,239,469 to $11,835,523,146. On the latter date the annual interest payable to the public on funded debt was approximately $550,000,000. The average annual net railway operating income for the years 1920-32, inclusive, was $842,955,000, or about 1.5 times the present interest requirements. The average rate of interest on the funded debt outstanding in the hands of the public is 4.65 per cent. It is not practicable, at present, to set up sinking funds applicable to the entire funded debt—perhaps not to a great portion of it. The possibilities are indicated, however, when it is realized that an accumulating sinking fund of one-half of 1 per cent per annum, providing for calling bonds at par, would retire the present debt if in effect for approximately fifty-two years."

The commission has recommended that the railroads set up a sinking fund to retire this debt, and, furthermore, that, if they do not take such action voluntarily, Congress require them to do so by additional legislation. Since about 1920 to 1929, while the railroads were in a prosperous condition, they paid out substantial amounts in dividends, running as high as 7.5 per cent for the roads in the United States as a whole. To have attempted to pay off some of their funded debt at that time would, of course, have diminished the amount they had to pay in dividends, and consequently our wolves of Wall Street would not have had so high a rate of return on which to go out and sell the stocks and bonds of the railroad companies to the public. In other words, it would have hurt those boys back there, and the investment bankers on Wall Street. They did not want that. They wanted things so that they could deal freely in securities and make their commission on each transaction. The oftener they multiplied those transactions, the more money they made. But it appears now that Congress is going to interest itself to the extent that your public servants will pay off their indebtedness, so as not to require nearly two-thirds of the revenue to pay the interest on funded indebtedness.

THE FARM CREDIT ADMINISTRATION AND THE LIVE-STOCK INDUSTRY*

BY WILLARD D. ELLIS

President, Federal Land Bank, Berkeley, California

BEFORE I START, I AM GOING TO READ SOMEthing which you may have heard before, but which, I think, shows at least the humorous side of some of the new organizations that have been set up by the government at Washington in aid of agriculture. The heading is "Uncle Sam's Opinion of the Farmer":

"One of the national recovery schemes deals with the reduction of surplus live stock by killing off a lot of hogs and other animals. In carrying out this plan, the government recently sent an appraiser into a country district to list the live stock on hand, and set a value upon it, in order that the farmers could be suitably reimbursed for their losses in the reduction campaign. The young appraiser from the city did not know one animal from another; so he took a little book of instructions with him, describing the various classes of live stock, and telling how to value each according to age, condition, and breed. But the very first animal he saw was a goat, and he was unable to find it described in the book. He immediately wired his superiors in Washington as follows: 'Have found animal with a forlorn face, a long beard, a skinny body, and a bare rump. What is its name, and what valuation shall I set upon it?' A few hours later he received this reply from headquarters in the national capital: 'The animal you describe is a farmer, and has no value.'"

That was handed me by an Arizona farmer—one of our clients. He asked if that really was Uncle Sam's opinion of the farmer. I think, if we consider what the administration is trying to do to help that type of agriculture, we shall have a somewhat better opinion of it than expressed in that article.

Order Creating Farm Credit Administration

The first executive order issued by President Roosevelt was that creating the Farm Credit Administration. That order put under one head the government of the Farm Credit Administration and the various agricultural agencies which were scattered through three or four different departments in

*Address delivered at the annual convention of the American National Live Stock Association in Albuquerque, New Mexico, January 10-12, 1934.

Washington. We had a Farm Loan Board, supervising the Federal Land Banks; a General Stock Board, supervising the Federal Intermediate Credit Banks; a Farm Board, handling the marketing question; the feed and seed loans, under the Secretary of Agriculture; and the Regional Agricultural Credit Corporations, capitalized under the supervision of the Agricultural Finance Corporation. All these credit agencies, in which the federal government had a hand, were thrown together under one head, and the Governor of the Farm Credit Administration was given supervision.

The first governor was Henry Morgenthau, Jr. The present governor is Dr. William I. Myers. The Governor of the Farm Credit Administration is the general head of the farm credit set-up. There are deputy governors, and there are commissioners for the various departments. For example, the Land Bank Commissioner handles the Federal Land Banks, and the Joint-Stock Commissioner handles the Joint-Stock Land Banks. The Joint-Stock Land Banks are going to be liquidated—Congress has so provided. Then there is an Intermediate Credit Bank Commissioner, supervising the Credit Banks; the Production Credit Commissioner, supervising the Production Corporations and Production Credit Associations; a Commissioner for Co-operatives, supervising the Banks for Co-operatives; and there will be proposed an Emergency Loan Division to handle the Regional Agricultural Corporations on the feed and seed loans.

I sometimes consider it a sort of five-ring circus. We have five different activities under one tent—under one general head. That same kind of organization is set up in the twelve Land Bank Districts; so it ought to be possible, within the limitations of the act creating the various agencies, to co-ordinate the various farm credit agencies, and do almost any farm credit job that is submitted on a legitimate basis.

In each Land Bank District there is a Federal Land Bank, making long-term land loans secured by first mortgages on real estate. The Land Banks have been in operation since 1917. They are also acting as agents of the Land Bank Commissioner in administering the $200,000,000 emergency fund with which to make either first or second real-estate loans on farms up to 75 per cent of their appraised value. Then the Intermediate Credit Banks are rediscounting live-stock loans, making direct loans to co-operative marketing associations on warehouse receipts covering staple agricultural crops, and also rediscounting crop loans.

Intermediate Credit Banks

I want to say just a few words about the Intermediate Credit Banks. They are not permitted to make loans direct. They have been in the picture since 1893, and have rediscounted several hundred million dollars of live-stock loans. I think you men who have been in the live-stock business for a number of years will admit that, in spite of the rapidly declining price for live stock during the last three or four years, there has been less forced liquidation by loan companies than in any other similar period when there has been as heavy a drop in prices. A part of that is due to the fact that a good many loans were handled by the Intermediate Credit Banks as rediscounts from and through live-stock loan companies.

As live-stock operators, we ought to consider building up a live-stock financing system that is not based upon deposits. When you have been borrowing through local banks, no matter how large they may have been, when times tighten up and conditions get bad, deposits are withdrawn, and too often loans upon live stock are called. Any system of live-stock financing based upon deposits is not flexible enough, or permanent enough, it seems to me, for the live-stock man to depend upon for an indefinite period. The Intermediate Credit Banks have been their fence through the sale of their debentures in the open market. They are not limited in selling those debentures to banks; they can sell them to individuals or corporations. No matter what the banking situation has been, especially during the last five years, Intermediate Credit Bank debentures have been salable. So far we have had no difficulty in making sales of these debentures at a reasonable rate.

I just throw out that thought because I think, since we are given this system—the Intermediate Credit Bank, together with the Production Credit Corporations—we ought, so far as we are able, to build up a permanent system of live-stock financing, and stay with that system even though conditions may improve in the banking structure, which I am sure they will, to the point where banks will again be running to you, asking you to borrow money. Banks will be doing that just as soon as confidence is fully restored and the urge to get their money out to earn dividends is strong enough. But when their deposits start to decrease, they are apt to call their loans. So I throw out the suggestion, and ask that you consider it seriously, of building up the Intermediate Credit Banks with which you will have something to do as a permanent live-stock financing system.

Production Credit Corporations

I will mention the Production Credit Corporations, because they are of particular interest to live-stock growers. Congress has provided for the establishment of a Production Credit Corporation in each Land Bank District. Each of these corporations is given $7,500,000 of capital stock. They have no power to make a loan—they are really holding companies. The Production Credit Corporations have authority to invest in the capital stock of Production Credit Associations, these associations being organized wherever it is considered they are needed to suit particular trade centers and to render the service they are expected to render. There will be enough of those credit associations, with sufficient capital, to handle live-stock loans. The present thought is that those larger capitalized credit associations that handle live-stock loans will handle no other class of loans. The smaller capitalized credit associations will make crop loans, so-called barn-yard loans, and perhaps smaller live-stock loans up to, maybe, $5,000 each.

Representatives of the live-stock industry are being selected to take places on the boards of directors of these various credit associations that are being established. You are going to be given an opportunity to have a good deal to say about the policies of these live-stock associations that are being organized, and I suggest that you operate that work with the idea of building a permanent live-stock financing institution, rather than from the standpoint of an emergency situation.

Permanent Credit Agencies

None of the agencies that I have mentioned—the Land Banks, the Intermediate Credit Banks, the Production Credit Corporations, and the Banks for Co-operatives—are emergency institutions. They are designed to be permanent. They are set up with the idea that, even though the federal government furnishes the capital to get them started, they may eventually be owned by the growers themselves. The entire board of directors of the credit associations being organized will consist of live-stock men and farmers, unless they themselves choose to select others.

I think a wise use of these credit associations, together with the existing live-stock loan companies rediscounting with Intermediate Credit Banks, ought to provide a permanent

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means of financing almost any legitimate live-stock loan. On the other hand, I think it is up to you who may be selected as directors of these associations to see to it that those who are incompetent, or those who do not have a substantial set-up, are not given too much credit. The Regional Agricultural Credit Corporations were emergency institutions, and I think in many instances they rendered a good service. They will be gradually liquidated, going out of the picture as rapidly as these new credit associations, which are designed to be permanent, are functioning.

The feed and seed loans, of course, we have had with us for a good many years. We shall probably have them with us as long as Congress votes the necessary appropriations. They should be considered an emergency. I think that in some cases perhaps they do as much harm as good. When I say that, I mean that in a real emergency they perhaps serve a useful purpose in many cases, but frequently they keep an unfortunate farmer in the picture whom nature and everything else intended to go out. In some instances, in certain crops, there are enough of those emergency feed and seed loans to keep a surplus. I question those things on an economic basis, although I have to admit that every day we are mixing sociological problems more with our economic problems. When we have so many people to take care of in this country, we have a number of ways of doing it.

Combination Land and Live-Stock Loans

There is one type of loan which I think has not yet been provided for, and which would be in the interest of live-stock growers. That is a combination loan, including land and live stock. I know that a good many men borrowing upon their live stock have also given a real-estate mortgage as additional security. I am thinking of a man who has a large ranch, who might obtain a loan upon the ranch and the cattle or sheep combined, rather than have his ranch mortgaged to one outfit and his live stock to another. In the Land Bank we have a number of loans on ranches, and other institutions have loans on live stock. Especially during the last two or three years, when live-stock prices have gone down rapidly, and some of the banks have taken over the live stock, they are running the stock on the land on which we have a mortgage, paying no taxes and no interest. There is a conflict of interests which does not benefit anyone in the end. If the same institution had a loan upon the land and cattle, or the land and sheep, I think there could be more co-operation between debtor and creditor than when there are two or three more people mixed up in the picture.

We can make loans in the Land Bank on ranches up to a maximum of $50,000, and the Intermediate Credit Bank can rediscount live-stock loans to almost any amount, depending on the capital stock of the company offering the paper. We approach what I have suggested by having the same board of directors handle the Land Bank and Credit Bank, so that in the same building we would have the Land Bank loan and the live-stock loan, or the same institution would handle the loan upon both the live stock and the land. I am not suggesting that anybody who has not a mortgage on his ranch put one on. I would rather see fewer mortgages than more. I am just throwing out the suggestion that I think a combination loan might be worked out, either by the Land Bank or by the Credit Bank, so that the borrower would be dealing with one creditor instead of with a number.

Bank for Co-operatives

I have not said anything about the Bank for Co-operatives. That is one of the youngest credit agencies established under the last Farm Loan Act. The Bank for Co-operatives has been given $5,000,000 of capital stock, and is authorized to make two types of loans. One of these is loans to co-operative marketing associations, upon their facilities—their buildings, warehouses, packing plants, and processing plants. Those loans may be made for as long as twenty years, on an amortized basis. The other type is a marketing loan. Some co-operative marketing associations may handle only certain products for this purpose. They need some money to make a small advance as the crop is delivered. Such a loan can be obtained from the Bank for Co-operatives. If the commodity is something that can be warehoused, and a warehouse receipt is issued against it, a loan may be made by the Credit Bank, directed to the Co-operative Bank, secured by warehouse receipts. There is a central bank to handle the loans for the larger co-operative marketing associations, and there is a Bank for Co-operatives in each of the twelve Land Bank Districts. The Bank for Co-operatives at Berkeley, California, which I represent, was established in October of last year, and has already made commitments of over $800,000 to co-operative marketing associations in the district served. Others are being established rapidly.

To sum up: We now have in each Land Bank District the Land Bank to make long-term loans; the Intermediate Credit Bank to rediscount farmers' and live-stock growers' notes when presented by the Land Bank; the Production Credit Corporation, capitalized in order to buy stock in credit associations, which in turn will make the loans out in the country districts; and the Bank for Co-operatives.

I want to say this about the personnel of the Farm Credit Association in Washington: I find that they are very open-minded. They do not think they know it all. They are open to suggestions that will add constructively to the farm-credit picture.

GETTING OUR PRODUCT INTO CONSUMPTION*

BY D. M. HILDEBRAND

President, Nebraska Live Stock Breeders' and Feeders' Association, Seward, Nebraska

I WISH TO OUTLINE TO YOU THE ROUTE WHICH OUR finished cattle must take when sold at the consuming centers of the East, where some 25 per cent of our population lives, and where our beef meets competitive foods in a large way.

No doubt every live-stock man in the Corn Belt has his own opinion as to the cause of the very low price at which our beef has been selling during the past year. I am sure that, if it were possible for him to follow the beef through to the consuming centers of the East, as I did during the month of December, he would change his mind on certain phases of the wholesale and retail end of the business. He would also probably get information that would convince him that he was wrong in numerous other ways in which he felt the producer had been taken advantage of by the processor and the retailer.

I recognize that the processor and the retailer are in a more favorable position to regulate their business than is the producer, from the fact that they can do business from day to day, and average out their prices on a basis that will ultimately show a profit when the month or the year has passed.

*Excerpts from an address prepared for the convention of the American National Live Stock Association in Albuquerque, New Mexico, January 10-12, 1934, but not delivered, owing to Mr. Hildebrand's inability to be present.

If the processor must take a substantial loss on his purchases one day, he, of course, makes every attempt the next day to lower his buying cost. The average producer usually has only a few market days during the year; consequently he does not have the opportunity to take advantage of the upturns in the market from time to time.

Market Conditions at Chicago

It was my privilege to accompany other gentlemen on a trip east to study market conditions. We were permitted to assist in the buying of cattle on the Chicago market on December 4. We saw a part of these cattle killed and prepared for the eastern markets. The remainder were shipped alive to New York, to be held there until our arrival, so that we could see them killed, placed in the cooler side by side with the cattle that were killed in Chicago, and sold to the retail butchers.

About 25 per cent of the total purchase of cattle in Chicago is consumed in or around that city. The average weekly buy of one of the large packers there runs around 9,000 to to 12,000 head per week. This packer throughout the United States kills from 40,000 to 50,000 per week. During the year 1932 he killed 1,705,939 cattle, not including calves. In 1933 he killed 2,005,433. Calves killed in 1932 numbered 1,259,289, and in 1933, 1,380,825. The number of sheep killed during 1932 was 5,731,309, and during 1933, 5,533,295. You will note that there was a substantial increase in the number of cattle and a decrease in the number of sheep, which accounts for the low price of cattle and the higher price for sheep. Our cattle population has increased some 10,000,000 head since 1929. With the buying power of the public lower, we can all appreciate the pressure that must be brought to bear at the distributing centers in order to get this increase into consumption.

There has been a very large increase in the trade in sausages and cooked meats. This may be accounted for by the small apartment house, or by the fact that the housewife prefers to have her meat cooked, in order to save time and labor. I presume it is generally understood that sausages and other cooked meats are not made out of fat beef, but must be made out of canners and cutters. The reason for this is that fat steers will not absorb the water and other ingredients that go into sausages and cooked meats.

When the live stock is received from all the principal markets of the United States, and the eastern markets report on dressed-beef conditions, buying orders go out to the various markets, suggesting how the purchases should be made in order to meet the demands of the consuming centers of the East. The buying public determines what it is willing to pay for any food commodity; and, of course, the larger centers dominate this price, on account of the great amount that they are able to put into consumption. Where there is a surplus of any food commodity, it makes a buyers' instead of a sellers' market.

I was interested to note that beef killed in the West on Monday or Tuesday, and shipped to the eastern markets to be placed on sale the following week, went into consumption on the Friday following, at some price. It seems to be an unwritten law with all the packers that their branch houses must be cleared by this time, in order to take on the next week's supply that is already on the road.

There are a lot of angles which must be taken into consideration with reference to by-products. One of these is hides. The question was raised whether it would be to the advantage of our cattlemen if the tariff on hides was raised. We were told that, in exchange for our hides, we could sell automobiles on which the labor was around 50 per cent, while the labor on hides figured only about 15 per cent. If we could make these automobiles and keep labor employed, we could well afford to forego the high tariff on hides. We were also told that the labor cost in processing the raw material was about 9 per cent, and that since the NRA the labor cost has gone up to 17½ per cent, which, of course, has been detrimental to the producer, in that the increased cost has been passed right back to the sellers of live stock.

Washingtonians Like Good Beef

Washington, D. C., uses a good grade of beef. They prefer a dressed carcass weighing from 600 to 700 pounds, and can use a few heavier carcasses. The good steer beef with which the market was supplied at that time practically all came from the West, and the retailer was paying from 8 to 9 cents where the entire carcass was purchased. Where the carcass was cut up and he bought the choice parts, he was paying around 12 cents per pound.

After going through the branch houses in the national capital, we visited the retail markets. These marketing centers are made up of small stalls in which a large proportion of the meats is sold over the telephone. One butcher, who claimed he had been in the retail business in Washington for some fifty-four years, seemed to feel that since the advent of the chain store the methods of retailing meat have changed to a considerable extent. The tendency has been toward smaller cuts, competition has been keener, the spread between wholesale and retail price has been lowered, and the entire retail structure has been altered. He claimed it was hard for the independent to compete with the chain stores on account of their large purchasing power. However, another retailer, who operated his own shop without any additional help, felt that he was able to compete with the chain, in that he did not employ any labor and was not affected by the NRA in this respect.

Competition Keen in Baltimore

In Baltimore we found conditions somewhat different from those prevailing in Washington. Certain branch houses were in direct competition with another branch house owned and operated by the same packer. We were told that a branch house that supplied hotels and restaurants had a different class of trade from that which supplied retail purchasers with the whole carcass. In one of these branch houses the carcass was cut to suit the purchaser, who paid a little higher price than the retailer who purchased the whole carcass.

You will also find in Baltimore a packing-plant operated by one of the packers who is in direct competition with the branch houses supplied from western markets. In going through this packing-house, it was interesting to note that the beef had a different color and texture from our western beef. It had a yellow cast, as a general rule, and could invariably be distinguished when placed side by side with our good corn-fed western beef. This beef, of course, came from close-by territory and had been fed differently from our western cattle.

New York City Home of Largest Chain System

On arriving in New York City, we were told that there were some thirty-four market centers throughout the city, besides all the chain stores, which operated independently, and thousands of independent butchers. When you go down one of these market streets, which run from one to three blocks in length, you will find a branch house, and probably right by its side a broker who handles beef on consignment—some from the same branch house and also beef from some interior packer. It was learned that this broker usually

cuts his beef up and sells it to some small butcher, whom the large packer would not credit, and in this way puts into consumption a large amount of beef which probably would not go into consumption otherwise. In New York City each and every packer is interested in putting into consumption every bit of the surplus that he has available.

Some six years ago chain stores were organized. One of these chains, which is the largest in the United States, operates some 850 meat-shops in the New York district alone. Throughout the country it has some 4,600 stores altogether. When you stop to realize that these people started their meat department only about six years ago, and that this department has now grown to the point where they use some 2,500,000 to 3,000,000 pounds of meat products a week, you can better visualize the buying power of a concern of this kind. We were advised that 35 per cent of these 3,000,000 pounds represented beef, 15 per cent lamb, and 15 per cent pork. They insist on a carcass of 600 to 700 pounds. All their stores are supplied from one center, and, as a rule, all the beef is cut and ready to be disposed of when placed on sale in their meat-shops.

The average purchase made by the housewife is 60 cents. Forty-seven per cent of the meat business is done during the last few days of the week. This same chain employs around 60,000 people. The average cost of their beef the last week in November was $10.33 per hundred, and the average selling price $16.18 per hundred. During the week that we were there they had on sale 700,000 pounds of rib-roast, which was being sold at an average price of 17 cents a pound. In order to put on one of these sales, they must accumulate this amount over a period of approximately three weeks.

You can appreciate that where they demand a carcass weighing an average of 600 to 700 pounds, this represents only about 15 per cent of the available supply, leaving 85 per cent for the independent retailer, who must make his purchases accordingly, in order to get the meat into consumption. Their selling cost was said to represent about 24 per cent. In addition to this large amount of meat products, they handle approximately one and one-half million pounds of fish weekly. I was interested in noting that the wholesale price on pork loins was 15 cents on December 1, and when I was there it was 8½ cents a pound. We were informed that when the NRA went into effect it increased the operating expense of this one chain by $13,000.000. This was passed on to the consumer, which is quite different from what happened when the processing tax went into effect.

On the Friday after leaving Chicago we inspected the live cattle that had been shipped to the United Dressed Meat Company in New York City. They kill approximately 2,200 head of cattle, 4,000 calves, and 30,000 sheep a week. All this live stock is shipped in, unloaded at Jersey City, and floated around to the packing-house on the East River, which is almost in the heart of the city. They have no yards to hold the animals in, as we do in the West, but have pens in the basement of the packing-house.

Kosher Trade Important Factor

At this particular packing-house they kill kosher beef twice a week. This market demands the best beef available, and, of course, it is handled differently from the way things are done in the West. The animal is prepared for slaughter, strung up, and never knocked in the head; but one rabbi washes the neck, and another cuts the throat. As soon as the animal has bled to death, it is skinned and examined. If the liver or lungs have grown to the ribs, it is condemned as unfit for food. After the lung has been removed, it is examined by still another rabbi and inflated, the same as you inflate an automobile tire. If the lung leaks, it is condemned. They have numerous other tests to which they put the animal before it is branded as being fit for consumption. After it has passed all of these tests, it is marked with their brand on the inside, and the date and hour it was killed. They use only the forequarters—the first four ribs and the plate. The rest of the beef must be sold on another market, in direct competition with meat shipped from the West, contributing in a small way to lowering the price on this. The Jews like their beef hot—in fact, some of the cattle we saw slaughtered in the afternoon went into consumption that night. All the beef must be eaten fresh, within seventy-two hours. If not consumed within seventy-two hours, one of the rabbis washes it in holy water, and they then have an additional forty-eight hours in which to consume it.

Interior Packers at Eastern Centers

It was interesting to note the influence of the interior packers on the eastern markets. In the first place, the interior packer does not, as a rule, operate on the central markets, but buys his raw material direct from the producer, in this way escaping some of the government regulations to which the central market is subjected.

I learned that the interior packers in Iowa have a lower freight rate to the consuming centers in the East than have the Missouri River packers. Generally speaking, these interior packers do not maintain branch houses, but sell direct to the brokers and deliver direct from the car. In this manner the selling cost is lowered materially. This can mean only one thing—that the central-market packers, in order to meet this competition, must in a measure reduce the buying cost on the central market. This all works against the producer. Also, with the large buying power possessed by the chain stores, it places another handicap against the producer.

Fish Cut into Boston's Meat Consumption

Boston is the home of the second largest chain in the United States. It was noticeable that the largest retail market was giving way to chain-store competition. There were numerous vacancies in the stalls formerly operated by local butchers. This chain operates some 2,700 stores, of which 450 sell meat. Their warehouse covers four blocks and is very modern. They dispose of about 2,000,000 pounds of meat products a week. Beef constitutes 50 per cent; pork, 20; lamb, 20; and other meats, 10. They employ 1,000 people in the warehouse, and 10,000 throughout their stores. All their beef is boned before being offered for sale. I found that the highest-priced cut came from the rump. There are about three slices that Bostonians seem to prize highly, and for which they are willing to pay a good price. The average price of all the beef sold seemed to be from 19 to 22 cents, retail. It was also interesting to note that they manufactured a large number of the profitable lines which they sell. Apparently they have only picked the choice and best lines in which the largest profits are made, and depend on the processors of other lines to supply their needs. I also learned that they bought the larger portion of their pork products from the packing-plants of Iowa, on account of the price. The week we were in Boston they were paying for the best beef, wholesale, $8.75 per hundred. This chain operates only in New England territory.

When you stop to consider that there are brought in for sale at Boston, Gloucester, and Portland some 57,000,000 pounds of fish, which come in direct competition with our meat products from the West, you can realize that it is impos-

sible to pass on to the consumer any processing tax, or compensating tax, which is not levied against a competitive food. The day I was in Boston they unloaded some 500,000 pounds of fish. One load had 147,000 pounds, that was sold wholesale at 1 cent a pound. The highest-priced fish I saw sold wholesale at 2½ cents a pound.

In summing up the competition which our beef must meet on these competitive markets in the East, I am convinced that the packer does not, as a rule, make his profit in these big consuming centers, but rather from the direct car lines which cover the rest of the United States, where the competition is not so keen. I believe that the interior packer should be compelled to operate his plant under the same restrictions, supervision, and regulations that apply to the central markets. I am convinced that the government should provide a safeguard to regulate the buying of the large chain stores, in order to maintain a fair competitive market for the producer. Until we have an Advisory Board in which the packer, the live-stock interests, the retailer, and the marketing agencies are represented, I fail to see how the producer is to get his fair share of the consumer's dollar.

CONVENTION OF ARIZONA ASSOCIATION

FEBRUARY 13 AND 14, LEADING CATTLEMEN FROM all parts of the state, to the number of about 150, assembled in Prescott for the twenty-eighth annual convention of the Arizona Cattle Growers' Association. The meeting was a highly successful one, and much important business was transacted. As on all occasions where stockmen foregather, work was liberally interlarded with entertainment features. The governor of the state, B. B. Moeur, extended greetings and was present at all sessions.

In his annual address, President J. M. Cartwright briefly reviewed the chief problems before the live-stock industry today, and what the association has accomplished during the past year, drawing particular attention to the revision of Arizona's live-stock laws. E. W. Kayser, manager of the Federal Intermediate Credit Bank of Berkeley, California, spoke of the work done by that institution in extending credit to cattlemen. Objects of the newly organized Production Credit Corporation of Arizona were explained by Sam P. Applewhite, Jr., assistant secretary of that body. T. E. Heady, of Patagonia, president of the Arizona Registered Hereford Breeders' Association, pointed out the possibilities for developing fine bulls and improving breeding methods generally within the state. The policies of the Forest Service were outlined by D. A. Shoemaker, grazing inspector for Arizona and New Mexico, who mentioned the work done by the CCC camps in making improvements on the national forests. Carlos E. Ronstadt, of Tucson, describing the activities of other states in the eradication of bovine tuberculosis, suggested that Arizona seek funds from the Civil Works Administration for this purpose. Professor E. B. Stanley and Dr. E. L. Scott, of the Animal Husbandry Department of the University of Arizona, sketched the results of experimental work conducted at that institution.

Charles E. Blaine, traffic counsel, reported on the manner in which his office had handled the rate cases of the association. Clarence Jackson, of Kirkland, discussed price trends. What the Committee of Five had done in Washington was told by Hubbard Russell, of Los Angeles, vice-president of the American National Live Stock Association, who said that the Secretary of Agriculture was not favorable to an increase in tariff rates. F. E. Mollin, secretary of the American National Live Stock Association, dealt with the general policies and plans of the American National. Co-operation on the part of producers in sponsoring any relief program was urged by Judge H. E. Hoover, of Canadian, Texas, representing the Panhandle Feeders' Association.

Other speakers were Henry G. Boice, of Phoenix, former president of the American National; Frank S. Boice, of Patagonia; A. C. Webb, of Globe; Jerome O. Eddy, of Skull Valley; Wayne Thornburg, of Phoenix; Dr. P. S. Burgess, of the University of Arizona; John P. Cull, of Douglas; and A. A. Johns, of Prescott, president of the Arizona Wool Growers' Association.

Resolutions were passed—

Holding it unfair to put processing tax on cattle unless producers are safeguarded against possible increase in imports of cattle, dressed and canned beef, hides, and other cattle by-products, and urging senators of state to oppose any effort to deprive Senate of its right to pass on reciprocal tariff treaties which might operate to lower duties on these products;

Indorsing efforts of Congressman Shallenberger to subject coconut and sesame oil, copra, and sesame seed to excise tax of 5 cents a pound, and of Congressman Kleberg to place tax of 10 cents a pound on oleomargarine not made wholly from domestic fats and oils;

Approving action of Committee of Five of American National Live Stock Association, and authorizing Hubbard Russell, of Los Angeles, to represent Arizona Cattle Growers' Association on that committee;

Opposing principles of Taylor bill vesting control of public domain in federal bureau, favoring granting of domain to states, and expressing belief that reason for law making it a crime to place fences on domain has passed;

Recording conviction that federal government is only agency competent to deal properly with any program of erosion control and watershed stabilization;

Urging that necessary funds be made available to carry on work for making every county in state modified accredited area;

Requesting Forest Service to refrain from building exclusion fences on national forests where such fencing would work hardship on live-stock producers;

Asking Forest Service to make no further cuts for redistribution to new applicants for permits on national forests in Arizona;

Asking that uniform exemption limit of 500 head be established on all forests of state;

Asking that CCC workers be employed in repairing fences on national forests;

Requesting that Federal Emergency Relief Administration purchase Arizona-produced fresh beef for distribution to needy;

Urging Southern Pacific Railroad not to abandon Fairbanks-Flux line;

Requesting Southern Pacific to move Douglas stock-yards to more accessible location;

Advocating defeat of Senate Bill 2450, which would amend Interstate Commerce Act to injury of general public;

Condemning House Bill 6836 for restriction of motor-vehicle transportation;

Opposing further withdrawals from public domain;

Asking that CWA funds be allocated for predatory-animal and rodent-control work;

Appreciating assistance rendered by University of Arizona in helping solve problems of cattlemen of state;

Extending thanks to Yavapai Cattle Growers' Association for originating "give-a-calf" plan for financing American National Live Stock Association.

All officers were re-elected: President, J. M. Cartwright, Phoenix; first vice-president, Frank S. Boice, Sonoita; second vice-president, Wayne Thornburg, Phoenix; traffic counsel, Charles E. Blaine, Phoenix; treasurer, Dr. R. N. Looney, Prescott; and secretary, Mrs. J. M. Keith, Phoenix. Next year the cattlemen will meet at Globe.

"I have been taking your paper ever since it was first published, and it is the best paper printed of its kind."—F. C. METZLER, Shoshoni, Wyo.

NEBRASKA STOCKMEN CONSIDER CATTLE PROBLEMS

REGIONAL MEETINGS WERE HELD LAST MONTH by cattlemen in western Nebraska, called together by the Nebraska Stock Growers' Association for the purpose of considering the more important problems facing the industry. On February 10 the stockmen met at Rushville, on February 12 at Valentine, on February 16 at Hyannis, on February 17 at Broken Bow, on February 23 at Ogallala, and on February 24 at North Platte. In all these places the processing tax was the subject of considerable discussion. It was felt that, while there was no objection to having cattle made a basic commodity, no processing tax should be imposed while prices remained at their present low level. Approval was given to that part of the Jones bill which provides for a fund of $200,000,000 for the immediate relief of the beef-cattle and dairy industries, with the recommendation that not less than 5,000,000 milk cows be bought by the government in the open market, the meat to be sold abroad, on long-term credits if necessary. The export bounty plan advanced by Harry B. Coffee, of Chadron, and embodied in a bill introduced in Congress by Representative Shallenberger, was indorsed.

An appeal was made to the federal government to place all concentration and direct-buying points under the same supervision as the central markets, and to cause all meat animals sold for slaughter to be disposed of on a competitive basis. The Department of Agriculture was requested at once to commence public hearings on the tentative marketing agreement proposed for the meat industry. The Secretary of Agriculture was asked to take steps to prevent the packers from feeding live stock for marketing purposes.

Congress was urged to put either an embargo or a high tariff on imports of copra and coconut oil, as well as on those of canned beef and other meat products, in order to preserve the home market for the domestic producer.

Tuberculin-testing of the range cattle of the state at this time was opposed at the Valentine meeting. At the other places the matter was referred back to the individual stockmen for further discussion.

CALIFORNIA INDORSES COMMITTEE OF FIVE

AT A MEETING IN LOS ANGELES ON FEBRUARY 17 of members of the California Cattlemen's Association, called by Philip Klipstein, president, the following resolution was unanimously adopted:

> "WHEREAS, The Committee of Five appointed by the American National Live Stock Association is rendering invaluable service to the cattle industry at hearings before the Secretary of Agriculture with respect to the packers' marketing agreement and in all other matters before Congress; therefore be it
>
> "*Resolved*, That we hereby express our grateful appreciation to the members of this committee and the American National Live Stock Association, and heartily indorse and confirm all acts of this committee."

NEVADA STOCKMEN MEET AT RENO

ON FEBRUARY 24 A JOINT MEETING OF THE LIVE-stock branch of the Nevada State Farm Bureau and the Nevada Land and Live Stock Association was held at Reno, with about one hundred cattlemen present. J. D. Yeager, of Wellington, presided, and Mrs. Florence B. Bovett, of Reno, acted as secretary. Among those who addressed the meeting were the attorney-general of the state; J. F. Shaughnessy, of Carson City, who dealt with traffic and taxation problems; State Engineer Malone, who spoke on the public-land question; Vernon Metcalf, of Reno, secretary of the state association; and F. E. Mollin, of Denver, secretary of the American National Live Stock Association, who outlined the policies of that organization and explained the various matters in which it was at present engaged. H. F. Dangberg, of Minden, was appointed chairman of a special committee to finance the American National, and George F. Ogilvie, of Lee, was made secretary of this committee.

PACKERS' MARKETING AGREEMENT

FOLLOWING INTERMITTENT CONFERENCES EXtending over several months, a revised draft of the proposed marketing agreement for the live-stock and meat industry has been prepared and is now being considered by the Institute of American Meat Packers at Chicago. Resumption of negotiations after the apparent deadlock is alone due to the insistence of the Committee of Five of the American National Live Stock Association, which spent weeks in Washington urging that action be taken.

The tentative agreement, as it now stands, is merely an outline under which marketing programs for the benefit of the industry may be worked out jointly by producers, processors, and the Secretary of Agriculture. Policies concurred in are to be incorporated in the agreement.

The draft provides that savings made possible as a result of the agreement shall be divided equitably among producers, consumers, and processors. Definite means of achieving this are to be included in any plans adopted.

The Secretary of Agriculture is authorized to examine the books and records of the packers for the purpose of ascertaining how the agreement is working out, and to what extent it is functioning in the public interest. It was this provision that was responsible for the first hitch in the negotiations, but the packers now seem to have reconciled themselves to it.

No exemptions from the provisions of the anti-trust laws are stipulated, except as may be necessary to accomplish specific steps, and then only with the approval of the Secretary of Agriculture.

Machinery is set up for future operations in the interest of the various live-stock groups, consisting of a committee of six members of the Executive Committee of the Institute of American Meat Packers to represent the processors, and separate committees of five members each to represent the cattle, hog, and sheep industries. No policy can be adopted by the processors until it has had the approval of the respective producers' committee and the secretary.

According to Chester C. Davis, administrator of the Agricultural Adjustment Act, who has acted for Secretary Wallace in most of the discussions, "the general idea advanced by proponents [the live-stock interests] is that the packing industry under such an agreement could co-operate to stabilize wholesale meat prices and to effect economies in distribution which will operate to the advantage of both producers and consumers of meat."

With the concurrence of the secretary and the appropriate producers' committee, recommendations may be made to individual processors as to the time and quantities of shipments of products to the various markets, to prevent either a shortage or a surplus. Prices for such products may be agreed upon, and general rules and trade practices adopted.

To offset the contention of packers that it is difficult to maintain uniform wholesale prices on meat because of distress

sales by certain packers who have bought live stock beyond their needs, the agreement authorizes the development of equitable quotas for processors, with the consent of the secretary and the producers' committee concerned. No geographical allocation, however, is permitted, and no action may be taken which will interfere with the established practice of providing a market for all live stock shipped.

No provision is contained in the document for a general license of the meat-packing industry. The right is reserved by the secretary to cancel the entire agreement on five days' notice, and it may also be terminated upon the request of three-fourths of the signatory processors.

STOCK-YARD CODE SUBMITTED

REGULATION OF SERVICE CHARGES AND PRACtices at stock-yards is sought in a proposed code of fair competition which has been submitted to the Agricultural Adjustment Administration by the American Stock Yards Association. The code would establish uniform minimum wages and maximum hours for employees, prohibit certain trade practices regarded as unfair, and provide standards of general operation.

Unfair competition would include false or misleading advertisements regarding markets or prices of live stock; purchase of live stock when suitable facilities are not available; handling of live stock on any basis other than uniform standards for condition, class, and grade approved by the Department of Agriculture; and selling for producers on any basis not in accord with the definitions of identity and standard of quality set forth in the code. Inspection of weights by an official selected by the code authority is made mandatory, and discrimination in charges for feed or other service is prohibited.

Most important of the provisions of the code is that which would require all sales of live stock to be made according to standard grades established by the government. This would have the effect of preventing sales at concentration points and small private stock-yards, and practically force all shipments through the central markets.

A hearing on the code was held at Washington March 2.

PACKERS ACCUSED OF UNFAIR PRACTICES

CHARGES THAT TEN OF THE LEADING PACKING companies of the country have combined for the control of retail meat prices, apportionment of sales, and suppression of competition in certain southern states, in violation of Title II of the Packers and Stock Yards Act, have been filed by the Secretary of Agriculture. Companies named as respondents are: Armour & Co., Swift & Co., Wilson & Co., Morris & Co., St. Louis Independent Packing Company, Abraham Brothers Packing Company, Cudahy Packing Company, Jacob Dold Packing Company, John Morrell & Co., and the Memphis Packing Corporation. A hearing has been called for April 9 at Jackson, Mississippi.

The complaint charges that each of the packers named furnished to the others information on prices at which they would sell meats, for the purpose of enabling them to give preferences and advantages to certain purchasers and localities, of forcing competitors out of business, of manipulating prices, and of apportioning sales. These practices, it is alleged, extend as far back as 1927.

A general denial of any wrongdoing has been made by the packers.

LIVE STOCK ON FARMS AND RANCHES

CONTINUATION OF THE INCREASE IN OUR CATTLE supplies that has been going on for several years, though at a retarded pace, is shown by the inventory of the Crop-Reporting Board of the Department of Agriculture for January 1, 1934. On that date the total number of cattle in the United States was estimated at 67,352,000 head, which is 2.8 per cent more than on January 1, 1933, and 19 per cent more than in 1928, when the low point in recent years was recorded. Value per head averaged $18.28, compared with $19.95 a year earlier, and was the lowest in many years.

Milk cows (cows and heifers two years old and over kept for milk) likewise increased in number, there being 26,062,000 in 1934, or 3.1 per cent more than in 1933, making the highest total on record. Value per head declined from $29.25 to $27.09. Heifers one to two years old, kept for milk cows, increased from 4,704,000 to 4,749,000, or about 3 per cent.

There was a decrease of less than 1 per cent in the number of sheep and lambs, being confined to animals on feed for market. Value per head showed a sharp rise from $2.90 a year ago to $3.79 this year.

Estimated hog numbers were 55,976,000, which is a decrease of 9 per cent from January 1, 1933. Average value per head, $4.16, compared with $4.21 the year before, and was the lowest since 1897.

Subjoined is a table giving estimated number, value per head, and total value of all classes of live stock on January 1 for the years 1934, 1933, 1928, and 1920:

Year	Number	Value per Head	Total Value
All Cattle and Calves—			
1934	67,352,000	$18.28	$1,231,280,000
1933	65,552,000	19.95	1,307,641,000
1928	56,701,000	50.81	2,880,802,000
1920	70,325,000	52.67	3,703,896,000
*Milk Cows and Heifers—			
1934	26,062,000	27.09	706,074,000
1933	25,277,000	29.25	739,430,000
1928	22,129,000	73.47	1,625,875,000
1920	21,455,000	81.51	1,748,820,000
Sheep and Lambs—			
1934	51,374,000	3.79	194,636,000
1933	51,736,000	2.90	150,017,000
1928	45,121,000	10.22	461,193,000
1920	40,643,000	10.45	424,644,000
Swine and Pigs—			
1934	55,976,000	4.16	232,946,000
1933	61,320,000	4.21	258,280,000
1928	61,772,000	13.17	813,639,000
1920	60,159,000	20.00	1,203,052,000
Horses and Colts—			
1934	11,942,000	66.42	793,184,000
1933	12,197,000	53.76	655,653,000
1928	14,768,000	66.68	984,763,000
1920	20,092,000	96.48	1,938,447,000

*Dairy, beef, and dual-purpose cows and heifers, two years old and over, kept for milk.

THE CALENDAR

March 10-19, 1934—Southwestern Exposition and Fat Stock Show, Fort Worth, Tex.

March 20-22, 1934—Annual Convention of Texas and Southwestern Cattle Raisers' Association, San Antonio, Tex.

April 20, 1934—Annual Nebraska Feeders' Day, Lincoln, Neb.

May 24-26, 1934—Annual Convention of Montana Stock Growers' Association, Miles City, Mont.

June 4-5, 1934—Annual Convention of National Cottonseed Products Association, New Orleans, La.

June 14-16, 1934—Annual Convention of Nebraska Stock Growers' Association, North Platte, Neb.

October 20-27, 1934—American Royal Live Stock Show, Kansas City, Mo.

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TARIFFS, TREATIES, AND TRIPE

AGRICULTURAL PRODUCERS ARE KEEPING anxious eyes trained on Washington these days. A great deal is being said about lower tariffs, reciprocal treaties that will encourage increased imports of commodities produced at home, and lower sugar quotas for domestic growers. Secretary Hull appears before the Senate Agricultural Committee and pleads the cause of the Cuban cane-raiser, urging increased sugar quotas to relieve distressed conditions in the island republic; administration support is refused the splendid effort being made to place an excise tax upon imported oils; Secretary Wallace is making a vigorous campaign in behalf of reduced tariffs, even suggesting that certain domestic industries may eventually be "retired"—sacrifices on the altar of increased foreign trade; that "it might also cause pain for a while to wool-growers, and to farmers who supply material for various edible oils," to say nothing of the effect on cattle-producers, raisers of sugar-beets, and flax-growers.

Whither are we drifting? Why all the concern for the "little brown brothers" of the Philippines, the cane-producers of Cuba, and the cattle- and sheep-growers of other foreign lands? Granting that they are in acute distress, is not our first duty to our own agriculture? Is it not fair to assume that the proper officials of those countries will carefully look out for the welfare of their own industries, leaving our officials free to employ their talents in behalf of our own people, whose problems are yet sufficiently urgent to justify their full-time attention?

It may be that lower tariffs would somewhat stimulate foreign trade, and thus slightly reduce current unemployment; but at what price? Are we ready to admit that the present American standard of living cannot be maintained, and that our farming industry must be further prostrated in order that our factories may sell more goods abroad? By what right is this sacrifice asked? All during the depression, industrial wage-scales have been maintained at a point that has discouraged rather than encouraged increased employment. As a consequence, railroad rates, as well as implement and supply prices, have remained on a level clearly out of line with current farm-commodity prices. With such a policy enforced by the power of union labor, there is no fair basis for urging that agricultural producers should make further sacrifices in order to stimulate factory employment.

In the abstract, the theory of advancing foreign trade by lowering tariffs is a beautiful one; but what industry, agricultural or otherwise, will offer itself as the first sacrifice? When you get down to concrete cases, it is pretty difficult to demonstrate to a cattle-producer how he will benefit by an automobile-manufacturer's selling his cars to Argentina, and accepting beef in payment therefor, when our own supply of this commodity is in excess of current demand, thus forcing prices down far below the cost of production. From the provincial standpoint of an Iowa hog-raiser, with surplus pork to dispose of, and with no conscience to bother him as to how much he hurts other divisions of domestic agriculture in selling them, it may appear to be a fine idea; but no branch of agriculture can long prosper at the expense of another.

It is indicated that practically all agricultural products are now to come under the provisions of the Agricultural Adjustment Act, and thus be made subject to processing taxes, in order to provide the means for restricting production in line with the probable demand. At the same time to urge that tariffs should be lowered, allowing foreign commodities to take the place on our markets vacated at the expense of the domestic producer, thus nullifying the attempt to bring about a higher price-level, simply does not make sense.

A united agriculture will take a firm stand against the adoption of any such abortive measures. It can rightfully demand that no processing taxes should be collected from producers without full assurance

that the benefits to be derived from them will come to themselves and not to foreign competitors. Any other course savors altogether too much of confiscation.

WIN, LOSE, OR DRAW

DURING RECENT MONTHS IT HAS BEEN hotly debated in the West whether range-cattle producers made a mistake last spring when, under the leadership of the late Senator John B. Kendrick, of Wyoming, they opposed cattle being included as a basic commodity in the Agricultural Adjustment Act. Attempts have even been made, by people seeking to further their own ends, to insinuate that this position was due to the influence of the packers. No one who ever discussed the matter with Senator Kendrick could possibly question his sincerity, and beyond a doubt an overwhelming majority of the cattlemen of the West were entirely in sympathy with his views at that time. Only the added burdens heaped upon the cattle industry by various measures taken for the purpose of aiding other industries have convinced a majority of cattle-producers that there is now no reasonable chance, under the present set-up, of any industry going it alone.

In view of the many discussions about the foregoing matters, the following excerpt from Secretary Wallace's testimony before the Committee on Agriculture of the House of Representatives, when it was considering the Jones amendment to make cattle a basic commodity (found on pages 84 and 85 of the record of the hearings), is interesting:

I can agree with you, Congressman Hope, that through a great program, involving a vast expenditure of time and money, that it will require the sympathetic co-operation of the great bulk of the cattlemen to make it really effective. And I am inclined to think that it might be just as well, in case of the cattlemen, to make cattle a basic commodity now, and after that let the thing lay there until next fall, do nothing, just let the cattlemen suffer from low prices, go ahead and let the whole thing wait to see whether they want a processing tax; let them stew and see how the corn-hog thing comes out, and next fall formulate something, if they want to go without the processing tax, and next fall, when hog prices go up and there has been an increase in hog production and consumption of hog meat, and perhaps a shift to the consumption of beef, and a compensatory tax is put on cattle, then I think they would like to have the bill making cattle a basic commodity, so they can avoid the compensatory tax going on cattle.

MR. DOXEY: Mr. Chairman, I would like to ask a question.

THE CHAIRMAN: Mr. Doxey.

MR. DOXEY: Mr. Secretary, that was one of the points that I was going to make. As I understand from your previous remarks, Mr. Secretary, it is your opinion that, if cattle had been left in the previous bill as a basic commodity under the Agricultural Adjustment Act and a program had been adopted in respect to cattle, the situation would not have been better, possibly, than it is today.

SECRETARY WALLACE: I do not think it would have been better than it is today.

It is a little hard to follow the argument as to why an increase in hog production and the consumption of hog meat should cause a shift to the consumption of beef, thus making necessary a compensatory tax on cattle, unless they are included as a basic commodity and subjected to a processing tax. THE PRODUCER has always understood that the entire theory of the act was that decreased supplies, brought about by reduction programs, in one commodity, would likely cause increased consumption of competing commodities, and that the provision for the compensating tax was to cover such a condition. Just why the secretary should be out of patience with the cattlemen, and suggest that they should *suffer* and *stew* until they are ready to accept the burden of a processing tax, is likewise difficult to understand. When the bill was being framed last spring, he was not insistent that cattle should be included, but suggested that he thought the cattlemen would later want to be brought in.

At any rate, it is interesting to note that the secretary does not believe that we should have been any better off today had cattle been included as a basic commodity last spring. The AAA has had its hands quite full with the various programs already under way—particularly the hog program—and it is only reasonable to expect that commodities which are now being taken up will profit by the experience gained in the administration of the act to date.

PACKER MARKETING AGREEMENT

ELSEWHERE IN THIS ISSUE IS FOUND A summary of the last draft of the packer marketing agreement, and under the report of the activities of the Committee of Five reference is made to the present status of the matter. This agreement has been under consideration now for eight or nine months. A formal hearing was held in Washington on September 8. Shortly thereafter the Committee of Five was assured by Chester C. Davis, then chief of the Production Division and now administrator of the Agricultural Adjustment Act, that there remained only slight alterations to be made before the final document could be drawn. Then came a delay of three or four months, due to the split in the personnel of the AAA. Finally, upon the insistence of the Committee of Five, the agreement was again taken up actively, and apparently all major obstacles were removed, only to have a further exasperating change in policy occur on the part of the department.

THE PRODUCER is unable to understand why the particular industry in which western stockmen are perforce intensely interested is singled out and refused the consideration which almost every other industry has been given. Under the vigorous leadership of Administrator Hugh S. Johnson, NRA codes have been adopted affecting 90 per cent of the industries of this country. Many of these codes have had the effect of increasing the costs of operation of cattle-producers. Yet here we sit helpless, after eight months of effort, and after twice having got the agreement to the boiling-point, only to have it set back on the stove to cool off again, as some petty objection is raised to its execution.

The administration has clearly indicated its preference for crop-reduction programs as the major weapon in the handling of the agricultural emergency. Its indifference to the marketing agreement is best shown by its failure to accept it, although no denial can be made of the facts that distribution costs have increased under the NRA codes, that the producer receives altogether too small a proportion of the consumer's dollar, that absolutely nothing is being done about this situation, and that the packer marketing agreement offers the only hope of meeting it. To THE PRODUCER it seems illogical that a mere crop-reduction program, unsupported by any economies in distribution, and unprotected by a proper tariff against the imports of cattle and cattle products, can ever satisfactorily accomplish its purpose except at the cost of reducing production and consumption below the normal level, and thus providing an efficient means of self-maintenance to a smaller number of people than would be possible under a better-balanced program.

We hold no brief for the packing industry, but we believe that better results can be obtained by working with them than by remaining at swords' points. Packers are an essential part of the meat industry, for which we have no substitute. Hence we must work with them, and cannot sever contact with them because of disapproval of some of their policies. Under a marketing agreement, the producers' committees will be in a position to get closer to the distribution of their product than has ever been possible before. It would be strange if, with that instrument to help them, they did not discover some of the causes for the unsatisfactory conditions that prevail today, and take the proper steps to remedy them. Having expressed our willingness to work with the administration on whatever program seems best for the future of the cattle industry, it seems only fair that the administration should show its good faith, cease quibbling over petty details, and put the marketing agreement into operation without further delay.

WHY SHOULD WE IMPORT CANNED MEATS?

IMPORTS OF CANNED MEATS INTO THE United States in 1933 amounted to 43,025,000 pounds. The year before they were 22,853,000 pounds. In other words, during the past twelve months they practically doubled. Nearly all of this meat was beef, and the bulk of it came from South America—Argentina and Uruguay principally.

As THE PRODUCER repeatedly has pointed out, this is no negligible item. In times like the present, it is a matter of considerable importance. Figured conservatively, the type of cow usually canned in this country represents about 200 pounds of dressed beef, boned and trimmed. On this basis, 43,025,000 pounds of meat would be equivalent to 215,125 beeves. Last year we imported from Mexico and Canada 74,658 head of stockers and feeders. Thus the animals brought in over the canned-beef route were 288 per cent of those coming in on the hoof. The number of the latter we have succeeded in having reduced through fairly satisfactory tariff rates; the quantity of the former continues to increase in spite of the tariff.

Our own stockmen are entitled to this trade. To claim that we have not the right kind of cattle for canning is, of course, absurd. Granted that the South American packing establishment puts a better quality of beef into containers than is the rule in the United States, that is purely a matter of packer policy. We have, and have long had, a surplus, not only of what are called "canners," but of high-grade steers as well. While this surplus goes begging at our markets, our own packers import foreign-produced beef by the millions of pounds, slaughtered and processed by themselves in foreign plants, and send it into trade channels in competition with the domestic product, likewise prepared by themselves.

There is something radically wrong about this. That our packers should have been tempted to enter the South American field, with its admittedly high quality of cattle and its low production costs, in order to be able to compete in the international beef trade, is easy enough to understand. That they should extend the rivalry to their own country, setting the Argentine producer up against the breeder of the West, is more difficult of comprehension. It seems an unfortunate contradiction of the spirit of co-operation and helpfulness and unity of interests which has been so much in evidence of late years in packers' dealings with producers.

Presumably there is a profit in this canned-meat business, even with a tariff of six cents a pound, or the packers would have quit it long ago; but, at the price at which the beef must be sold, it cannot be a

gold mine. To withdraw this trade from American markets, and center it on countries that really need the meat, would not, we take it, mean a serious loss to them. On the other hand, to continue the imports adds that much to the threat of utter ruin which now hangs over the head of every cattleman in the country.

If this appeal to the packers is futile, and if the Tariff Commission refuses to grant our request for an increase in the duty, then there is only one thing left for our producers to do. We have never been overenthusiastic about the boycott as an economic weapon. Aside from the fact that innocent bystanders are likely to be hurt by flying missiles, too often the boycott is a sword that cuts both ways. In periods of great stress, however, when quick relief is imperative and all other means have failed, it may be justifiable as a last resort.

Our advice is that every buyer of canned meat approach his local storekeeper with the suggestion that he replace the imported article on his shelves with domestic product. Most tradesmen are sympathetic with the people of the community in which they live, and amenable to any reasonable plea for the advancement of their interests, which are their own. If they refuse to comply with the request voluntarily, more persuasive arguments may be in order, in the form of hints at withdrawal of patronage.

Think it over!

NEW FINANCE PROGRAM AUGURS WELL

THE CATTLE INDUSTRY HAS OFTEN DEMonstrated that, when a great emergency confronted it, ways and means would be found of meeting the situation. At the Albuquerque convention, the Committee of Five was reinstructed to stay on the job and protect the interests of the West in all important matters pending at Washington. As a means of insuring proper financial support, not only was the "give-a-calf" plan, initiated in Arizona, indorsed, but a means of reaching the small producers was found, by lowering the minimum annual dues to $1.50 and providing for membership on the basis of an assessment of one cent per head.

It is gratifying to report that the industry is rising to the occasion in fine shape. Letters are being received from all parts of the West, inquiring as to the basis for membership; additional sections are adopting the calf plan; local associations, which have previously contributed relatively small amounts, are assessing their members one cent a head; and many new individuals are "joining up." In addition, a large number of former members are increasing the amounts paid during the last two or three years of depression, while many others, who neglected to pay their dues, are cleaning up the slate.

Active campaigns are now under way in several of the states to raise money adequately to finance the Committee of Five, as well as the regular activities of the association. In other states the machinery is just being lined up for similar campaigns. This is very necessary, in order to make it possible for the association and the Committee of Five to keep at work all the time in the important negotiations affecting the cattle industry which are sure to come up in the next few months.

On behalf of the Committee of Five, as well as the regular officials of the association, THE PRODUCER wishes to express thanks for all these activities. There are still many individuals who do not support the national program, and who can easily be brought into the fold if contact is made. We, therefore, suggest that each of our readers make it a point to inquire if his neighbor is a member, and, if not, take steps to get him interested.

FARM INCOME HIGHER IN 1933

GROSS INCOME FROM FARM OPERATIONS IN 1933 was about $6,094,000,000, the Bureau of Agricultural Economics reports. In addition, farmers received, or will receive, rental and benefit payments from the Agricultural Adjustment Administration of approximately $289,000,000, making a total of $6,383,000,000, compared with $5,143,000,000 in 1932, or an increase of 24 per cent. In 1931 gross farm income amounted to $6,911,000,000, and in 1929 to $11,918,000,000. The following table shows gross amounts earned last year by the various agricultural groups, with the percentages of increase or decrease from 1932:

	Gross Income, 1933	Increase or Decrease
Dairy products	$1,250,000,000	1% dec.
Vegetables	785,000,000	32% inc.
Cotton and cottonseed	670,000,000	56% inc.
(Plus $160,000,000 in benefits)		
Grains	600,000,000	86% inc.
(Plus $99,000,000 in benefits)		
Hogs	590,000,000	10% inc.
(Plus $28,000,000 in benefits)		
Poultry and eggs	580,000,000	4% dec.
Cattle and calves	505,000,000	1% inc.
Fruits and nuts	403,000,000	18% inc.
Tobacco	180,000,000	56% inc.
(Plus $2,000,000 in benefits)		
Sheep and wool	150,000,000	40% inc.
Sugar	71,000,000	4% inc.
Other crops	320,000,000	31% inc.

REDUCED YARDAGE AT SAN FRANCISCO

REDUCTIONS IN YARDAGE CHARGES HAVE BEEN announced by the South San Francisco Union Stock Yards. Effective February 15, rates on cattle will be 32 cents, in lieu of the previous 35 cents; on hogs, 10 cents instead of 12; and on sheep, 7 cents instead of 8. The new rates, asked as a temporary relief measure, are the same as those prevailing at North Portland, and will terminate on July 1.

THE STOCKMEN'S EXCHANGE

INFORMATION WANTED ABOUT DRYMARIA

LAS CRUCES, N. M., February 5, 1934.

TO THE PRODUCER:

An experiment in eradication of poisonous plants is being started at the Jornada Experimental Range, near Las Cruces, New Mexico. Emphasis will be given to methods of eradicating *Drymaria holosteoides* Benth. (*Drymaria pachyphylla* Woot. & Standl.).

Drymaria is a small annual poisonous weed which grows on the bare adobe flats. It spreads out flat on the ground several inches, and can be recognized by the purple juice which can be squeezed from the pods.

Any suggestions about Drymaria and methods of eradicating it will be appreciated, and should be sent to R. S. Campbell, officer in charge, Jornada Experimental Range, United States Forest Service, Las Cruces, New Mexico.

Information is desired especially on these points:

1. The geographic distribution of Drymaria. Drymaria is found in southern New Mexico and west Texas, but the exact locations are not well known.

2. Losses of live stock from Drymaria. Reports of live stock poisoned by this plant, including number, kind, time, and other information, are wanted.

3. Methods of eradicating Drymaria. Details of any methods used, such as grubbing, burning, spraying, fencing, etc., with results and recommendations, will be welcome. Any suggestions about new methods to be tried should be included, since the Jornada Experimental Range plans to use various methods.

R. S. CAMPBELL.

OFFERS PLAN FOR REDUCING CATTLE SURPLUS

ROOSEVELT, UTAH, February 20, 1934.

TO THE PRODUCER:

If cattle are to be included as a basic commodity under the Agricultural Adjustment Act, and the purpose is to reduce our present surplus, I would suggest a plan for the consideration of the stockmen of the West which, I believe, will be a lot more satisfactory than any scheme of spaying. The plan is very simple and will do the job with a minimum of expense.

I propose to put a tax of not to exceed one-half cent a pound on all cattle sold for slaughter, and from the proceeds pay, say, 2 cents a pound to anyone selling heifers weighing under 700 pounds. Of course, this would be only heifers sold for slaughter, but not necessarily fat.

I believe this plan would be very easy to operate. It most certainly would bring the heifers to market, especially the low-grade stuff which is now doing the damage to our market for good cattle. It would furnish the dairyman an opportunity to cull his herd at a price above the cost of marketing. Whenever this culling takes place, we are going to pay for it by having the dairymen as competitors. I think that, if this dairy stuff is once cleaned up, it will be a long while before we shall be bothered again to any great extent, as the dairy people are just as sick as we are, or a little more so. Under present conditions, their cows and heifers will not pay the cost of marketing, but they are still producing more of their like.

Another benefit I see in this plan is that it will improve the average quality of all beef offered for sale.

When this plan has been in operation long enough to accomplish what it was meant to do, the man who has been able to hold his heifers will get his reward by having a much better market when he does sell.

I have been, and still am, against cattle being made a basic commodity, and am only suggesting this plan in case they are.

H. L. ALLRED.

COYOTES AND CALVES

GREAT FALLS, MONT., February 5, 1934.

TO THE PRODUCER:

In reply to the question asked in your January issue, "Do Coyotes Prey on Calves?" I have this to say: I was born in Montana, have been in the cattle business all my life, and have never seen a coyote tackle a calf or heard of this happening. This business of examining the stomach contents of a coyote does not prove that the coyote killed what he ate. Lots of calves die on the range, and, of course, the coyotes eat them. The stomach of a coyote may be full of horse meat, but that would not prove that he killed a horse. Coyotes feast on carrion.

You ask if it is not reasonable to suppose that a half-famished coyote would kill a small calf that had strayed away from the protection of its mother. Cattle always hide their small calves, and go several miles from them in search of water, being gone for several hours at a time. Yet we have never had a coyote kill a calf. We have plenty of coyotes, and our cattle range on the national forest.

Another fact is that a calf does not stray away from its mother. When a cow hides her calf, or leaves it, the calf will stay where she left it until she comes back for it. You may pick up a calf with a bunch of cattle which you are moving. If its mother is not in the bunch, it will keep trying to get out and go back. If you do let it go, it will go right back to where its mother left it.

A coyote will kill sheep—there is no question about that. And a wolf will kill calves, and grown cattle also. But we do not have any trouble with wolves any more, as they are all cleaned out of this territory.

VICTOR ANDERSON.

WHAT THE GOVERNMENT IS DOING

AT WASHINGTON

ON MARCH 2 THE HOUSE COMMITTEE ON AGRICULTURE, by a vote of 12 to 2, favorably reported the Taylor bill for giving the Department of the Interior jurisdiction over the public domain. A determined fight is expected to be made on the floor, on the one hand by those who would cede the lands to the states, and, on the other, by those who would transfer control to the Forest Service.

* * *

No action has yet been taken by the Senate on the Jones amendment to the Agricultural Marketing Act, making cattle a basic commodity, and appropriating $200,000,000 for the relief of the beef-cattle and dairy industries.

* * *

February 22 the internal revenue bill, with Representative Shallenberger's amendment providing for an excise tax of 5 cents a pound on imported coconut and sesame oil processed in the United States, was passed by the House by a vote of 388 to 7. It is now before the Senate Finance Committee, where an effort will be made to have it amended to include other imported vegetable oils, as well as whale and fish oils.

* * *

A bill has been introduced by Representative Kleberg, of Texas, providing for the collection of a tax of one-fourth cent a pound on oleomargarine, except such as is either yellow in color or contains any animal or vegetable fat or oil not produced within the continental United States, on which the tax shall be 10 cents a pound.

* * *

Specific legislation to bring the nation's commodity exchanges under government regulation has been submitted to Congress by President Roosevelt. The bill would amend the Grain Futures Act to make it applicable to all commodities, including cotton. Individual brokers would be licensed, and arbitrary limitations would be fixed on both long and short accounts.

* * *

A bill has been introduced in both the Senate and the House by the two Bankhead brothers from Alabama, one of whom is a senator and the other a representative, for limiting the 1934-35 cotton crop to 9,000,000 bales, and enforcing this by putting a tax of 12 cents a pound on excess production. The bill is said to have administrative support.

* * *

Full powers to enter into reciprocal trade agreements with foreign nations have been asked by the President in a special message to Congress. To countries which would lower their tariffs or grant increased quotas on United States products he would make similar concessions, in this way expanding our markets for both industry and agriculture. The agreements would run for a term of three years, but might be extended.

* * *

By a vote of 41 to 40, the Senate has decided to restore the 15 per cent pay cut imposed on federal employees last summer in order to balance the budget; 5 per cent to be available as of February 1, and the remaining 10 per cent on July 1.

* * *

Gradual disbandment of the Civil Works Administration army by May 1 has been rendered necessary by the failure of Congress to provide funds for its pay-roll beyond that date. Workers on civil-works projects numbered about 3,860,000, of whom 291,409 have been engaged in undertakings carried on by the various government departments. Many of the discharged men may later be rehired, according to Harry L. Hopkins, federal relief administrator, by the states taking over some of the federal projects.

* * *

A new program to meet the unemployment situation, to continue for a year, has been formulated by the President. It includes relief for (1) the needy in rural districts, through part-time work on road-repairing and similar enterprises; (2) stranded populations living in single industrial communities, through physical transplantation to more favorable localities; and (3) the unemployed in urban areas, through the starting of public works which would not normally be undertaken. It is proposed to divert the $950,000,000 recently appropriated by Congress for the CWA to these purposes.

NEW CREDIT AGENCIES

A NEW FINANCIAL SET-UP, TO SERVE THE NEEDS of Colorado farmers and live-stock men, was organized in Denver last month, under the name of the Colorado Live Stock Production Credit Association. Capital stock will be $1,000,000, most of which will be furnished by the Production Credit Corporation of the Ninth Federal Land Bank District at Wichita, Kansas. Loans of $10,000 or over will be made. Borrowers will be required to subscribe to the Class B stock of the association at the rate of $5 for every $100 borrowed. The new institution is intended gradually to absorb the functions of the Regional Agricultural Credit Corporation in Denver. It will serve as the central agency for the seven local production credit associations in the state, which will handle loans up to $10,000.

* * *

Funds of $40,000,000 were made available last month by Congress for federal crop-production loans. A farmer may obtain such a loan if he cannot qualify for credit elsewhere, provided he is co-operating in the government's production-

control program. The maximum amount of any individual loan is $250 and the minimum $25. The interest rate will be 5½ per cent.

In signing the emergency loan bill, the President declared this form of credit to be "bad business," which gradually should be "tapered off." He preferred that farmers borrow from co-operative production credit associations, which it is intended to build up to a point where they can take care of all small production loans.

* * *

According to a statement recently made by William I. Myers, governor of the Farm Credit Administration, production credit associations are authorized to make loans for general agricultural purposes, including planting, cultivation, and harvesting of crops, the breeding and feeding of live stock, and the production of dairy products. Duration of loans will ordinarily be for one year, but renewals may be granted where the security is ample and other factors are favorable. Security required will usually be a first mortgage on the crop or live stock financed, with additional collateral where necessary. The present rate of interest is 6 per cent. Mr. Myers estimates that there will be 750 production credit associations organized throughout the country by April 1.

* * *

Loans and discounts made by banks, corporations, and offices under the Farm Credit Administration for the year 1933 amounted to $745,753,234, distributed as follows:

Federal Land Banks	$151,634,110
Land Bank Commissioner	70,812,112
Federal Intermediate Credit Banks	169,981,890
Regional Agricultural Credit Corporations	220,497,090
Production Credit Associations	27,100
Crop Production and Seed Loans	57,444,853
Loans from Revolving Fund to Co-operatives	46,711,261
Central Bank for Co-operatives	26,191,530
Regional Banks for Co-operatives	952,733
Land Bank Commissioner's Loans to Joint-Stock Land Banks	1,500,555
	$745,753,234

During the month of January, 1934, a total of $165,399,369 was disbursed.

GRAZING FEES FOR 1934

NATIONAL-FOREST GRAZING FEES FOR 1934 HAVE been announced by the Forest Service. On cattle, the average fee will be 7.51 cents per head per month, or 1.54 cents less than last year. This rate represents 51.8 per cent of the average 1931 base fee of 14.5 cents, as determined by appraisal. In other words, the 1934 fee will be 48.2 per cent less than the appraisal fee and 17 per cent less than the 1933 fee.

On sheep, the average fee in 1934 will be 2.385 cents per head per month, or 0.335 cent more than last year. The 1934 rate represents 53 per cent of the average 1931 base fee of 4.5 cents, and will be 47 per cent less than the appraisal fee and 16.3 per cent more than the 1933 fee.

Under the new arrangement for determining rates, the fees each year will bear the same ratio to the base fees of 1931 as market prices on cattle and lambs, respectively, for the previous year bear to average market prices for certain basic periods. The basic period for cattle is the ten years 1921-30, inclusive; for sheep, the thirteen years 1920-32, inclusive.

The 1934 fees reflect the relative price trends in cattle and sheep during 1933.

COMMITTEE OF FIVE

AS REPORTED IN THE FEBRUARY "PRODUCER," the full Committee of Five, together with Secretary Mollin, spent several weeks in Washington during the latter part of January and the early part of February, taking part in many conferences and hearings of tremendous importance to the industry. In addition to the activities already mentioned, a move was started to increase the loan limit of federal land banks, so that adequate credit can be extended to holders of large ranch units. The American National Live Stock Association initiated the move last spring which resulted in increasing the loan limit from $25,000 to $50,000. This, however, does not in many instances suffice, and we have requested that a further substantial increase in the limit be made, or that the limit be removed entirely, making the security offered the determining factor as to the size of the loan. In this move we have the support of various farm organizations, and particularly of cotton-growers of the South, in which section many of the large plantation-owners are up against a similar problem in respect to securing adequate credit through private agencies at reasonable rates of interest. Senator Carey, of Wyoming, is introducing legislation to amend the existing law, which is expected to command strong support on the part of members from the South and West. Those interested in this legislation should communicate with their representatives in both houses of Congress.

Marketing Agreement

After repeated efforts by the committee, assurances were given by Administrator Davis and Secretary Wallace that the Department of Agriculture was willing to give a marketing agreement a fair trial. The committee then centered its

efforts on the representatives of the packers, and finally secured their consent to accepting the terms laid down in a letter from the secretary's office, written last December. When it seemed that our efforts were finally to be crowned with success, the administration at the last minute rewrote the agreement, making many changes, and in particular going farther in its demands for access to the packers' books than had been provided in the letter referred to above. The packers have requested a further conference on the subject, at Chicago, to which our committee will be invited; but the date has not been set at this writing (March 2). The committee stands ready to return east immediately upon call, and again to insist—for the third and, we hope, the last time—that a marketing agreement be put into effect.

Cattle as a Basic Commodity

The Jones amendment to the Agricultural Adjustment Act, making cattle a basic commodity, and carrying with it authorization for the use of $200,000,000 for the cattle industry, not more than 60 per cent of which could be used either by the dairy-cattle or the beef-cattle branch, has passed the House. The Connally amendment, making a similar provision, is pending in the Senate, and its passage is expected any day. The AAA is already taking steps toward the initiation of a cattle program, and very shortly after final action in the Senate, if the Connally amendment is approved, it is expected that a meeting will be held at Chicago to work out the details. The committee will participate in this conference.

"THE PRODUCER has been of much benefit to the stockmen of the country—more than many of them realize."—D. C. KELTY, Otter, Mont.

NEW FEDERAL EXPORT BANKS

A GOVERNMENT EXPORT-IMPORT BANK TO FINANCE trade with the Soviet Union has been organized in Washington, D. C., by executive order. Initial capital is to be $11,000,000, of which $1,000,000 of common stock will be provided from Public Works Administration funds, and $10,000,000 of preferred stock by the Reconstruction Finance Corporation.

The primary object of the bank, as stated by Jesse H. Jones, chairman of the RFC, is to reduce domestic unemployment through sales of agricultural and industrial surpluses, with extension of credit to producers. Among the products of which Russia is said to be in urgent need are cotton, cotton cloth, copper, railroad equipment, automobiles and trucks, and electrical appliances.

In addition, two credit-providing banks for trade with Cuba and other countries are to be established. George N. Peek, formerly administrator of the AAA and foreign trade adviser to the President, will head the banks.

LARGE TRACT OF PUBLIC LAND WITHDRAWN FROM GRAZING

TWELVE HUNDRED THOUSAND ACRES OF PUBLIC domain in western Utah have been withdrawn from grazing by executive order of the President, upon recommendation of Governor Blood of that state. The action taken is in the interest of conservation, the tract being declared to be badly overgrazed. No grazing will be permitted until the land has been restored to its previous condition, and then only by special permit from the Secretary of the Interior.

OUR TRAFFIC PROBLEMS

REPORT OF TRAFFIC COUNSEL

BY CHARLES E. BLAINE

Phoenix, Arizona

[In the following are presented extracts from the fifth annual report of Charles E. Blaine, traffic counsel of the American National Live Stock Association, submitted to the Executive Committee at the Albuquerque convention, January 10-12, 1934. The excerpts deal with a few of the more important cases in which Mr. Blaine was engaged for the association during the past year.]

Sale-in-Transit Privilege

THE INTERSTATE COMMERCE COMMISSION RENdered its decision in this case on December 12, 1933, but did not release it to the public until December 29, 1933. The commission made six findings, as follows:

1. Defendants' maintenance of less favorable transit arrangements on live stock at Kansas City, St. Joseph, Omaha, Sioux City, Sioux Falls, St. Paul, Chicago, Wichita, and Fort Worth than at Denver, Ogden, and Salt Lake City found not to result in undue prejudice to the first-mentioned group of points, nor in undue preference of the last-mentioned group.
2. Defendants' maintenance of less favorable transit arrangements on live stock at the above-mentioned points, excluding Denver, Ogden, and Salt Lake City, than at country market points found unduly prejudicial.
3. Rates on stocker and feeder live stock from western points to Wichita, the same as apply on live stock fit for slaughter, found not unreasonable or otherwise unlawful.
4. Defendants' rules prohibiting in the West, except at certain points, diversion and reconsignment at through rates where live stock changes ownership at public markets found not unreasonable.
5. Rates on live stock moving through the Chicago Stock Yards found not unreasonable or discriminatory.
6. Rates on packing-house products, fresh meats, and other products of live stock from Denver and Missouri River points to destinations east of the Illinois-Indiana state line found not unduly prejudicial to western packers.

Finding No. 1, as I view it, is correct. It means that the present transit arrangements at Denver, Ogden, and Salt Lake City shall continue in effect. Those arrangements are, as the evidence clearly shows, of substantial benefit to live-stock producers. They accord live stock transited at those points the benefit of the balances of the through rates from original point of origin to final destination.

Findings Nos. 2 and 4 are contrary to the weight of the evidence. Moreover, they are contrary to numerous decisions of the commission involving live stock and other commodities.

The commission has, in several cases, authorized diversion and reconsignment at all points in the United States on all commodities. Moreover, it has likewise, in one case at least, prescribed change of ownership on live stock at one of the Missouri River markets (Sioux City). Furthermore, in *Live Stock—Western District Rates*, 176 I. C. C. 1 (hereinafter termed the *Live-Stock Case*), the commission had before it evidence showing the transit arrangements then in effect at Denver, Missouri River, and southwestern markets. It specifically approved the Denver arrangements, and did not disapprove of the arrangements at the Missouri River and southwestern markets. On the contrary, the commission, in its second decision in that case (190 I. C. C. 611), conceded that it clearly felt that such arrangements would be continued under the rates prescribed by it which became effective January 25, 1932. In fact, in that decision it positively and definitely disavowed that it had, by its original decision, required the cancellation of the transit privileges at the Missouri River and southwestern markets.

Furthermore, in its original decision in the *Live-Stock Case* the commission ordered the carriers to establish, at all markets, the privilege whereby shippers can bill their live stock into the markets and display it for sale. If they are not satisfied with the prices offered, they can then bill their live stock to another market at the balance of the through rate from the original point of origin to the final market. This privilege became effective January 25, 1932, and is now in effect, and no charges over and above the through rate, other than the switching, loading, and unloading charges at the first market, are applicable.

The uncontradicted evidence of record in this proceeding is that the service performed by the carriers in connection with such shipments is substantially similar in all respects to that performed where there is a change of ownership at the markets. In fact, the cost of service in both instances is substantially the same. That being true, it irresistibly follows that the majority of the commission erred in failing to find that defendants' rules prohibiting in the West, except at certain points, diversion, reconsignment, and change of ownership at markets at the through rates are unreasonable, in violation of section 1, as contended by us.

The commission on this point was divided. Five of the members—Chairman Farrell and Commissioners Meyer, McManamy, Brainerd, and Lee—dissented. From their dissenting opinion it is clear that they agree with the producers that the failure to accord diversion, reconsignment, and change of ownership on live stock at all points in the United States at the balances of the through rates is clearly unreasonable. It is assumed that Commissioner Eastman participated in the disposition of this case. However, the decision does not so state. If so, then findings Nos. 2 and 4 of the commission, above quoted, are those of six members, the remaining five having dissented.

Finding No. 3 is, I believe, correct. The commission, in its original decision in the *Live-Stock Case*, prescribed rates on stocker and feeder live stock between country points, also from public live-stock markets to country points, 85 per cent of the concurrent rates on fat live stock. However, it refused to authorize the application of such rates on stocker and feeder live stock moving to public markets. It

affirmed this finding in its second decision. It was not generally attacked in the instant case. Wichita was the only point raising that issue. Therefore I believe the finding is in harmony with the record.

However, there is no reason, in my estimation, why the lower rates should not apply on stocker and feeder live stock to markets; but, in order to secure application thereof to the markets, it will require concerted action on the part of all concerned in an additional proceeding before the commission. Such action should be taken.

What I have said with respect to findings Nos. 2 and 4 also applies to finding No. 5.

Finding No. 6 deals with the Armour complaint. As I expressed no opinion with respect thereto in my brief, I will not at this time comment on this finding, other than to say that the commission has, in numerous previous proceedings, rejected the contention that there should be a definite and fixed relationship between the rates on live stock, on the one hand, and those on the products thereof, on the other.

Although the commission has not specifically dismissed our complaint, its findings Nos. 2 and 4 have the same result as though it had taken that action. However, if defendants remove the undue prejudice which the commission found to exist against the Missouri River markets, by extending thereto the diversion, reconsignment, and change-of-ownership privileges now in effect at the country markets, which the commission found unduly preferred, then our work is ended, as our complaint would be, for practical purposes, satisfied. If, on the other hand, defendants attempt to remove the prejudice by the cancellation of the transit arrangements now in effect at the country markets, then the fight has just started.

Consequently, if defendants elect to pursue the latter policy, I recommend that we (a) immediately petition the commission for reconsideration and reargument on the record as made, and (b) that we immediately file formal complaint with the commission assailing the present rates on edible live stock from, to, and between all points in the Western District, Central Freight Association, Trunk-Line, and New England territories; moreover, that such complaint assail the application of the rates on fat live stock when applied to shipments of stocker and feeder live stock moving to the markets in the Western District, and that it assail the transit charge of 8½ cents per 100 pounds generally applicable for the privilege of grazing or feeding in transit for the purpose of fattening live stock for slaughter.

(This recommendation was made verbally to the Executive Committee at the Albuquerque convention. The committee approved it, and has ordered me to proceed accordingly. Therefore, I have addressed defendants' counsel to determine how defendants intend to remove the prejudice and preference found by the commission. Upon receipt of a definite reply, further action, if necessary, will be taken by this office to conform with instructions of the Executive Committee.)

Western District Rates on Live Stock

I dealt with this proceeding at pages 9 ff. of my fourth annual report, and shall not repeat what I there stated. Suffice it to say that this proceeding is a retrial of the rates on edible live stock in the Western District, prescribed by the commission in the *Live-Stock Case.*

In that case the commission had prescribed maximum reasonable rates on edible live stock from, to, and between all points in the Western District based upon the record closed in May, 1928. It there prescribed rates on stocker and feeder live stock between all country points, also from public markets to all country points, 85 per cent of those concurrently prescribed on fat live stock. The defendants had petitioned the commission for rehearing, alleging changed conditions. The commission had denied defendants' petition for reopening. However, when the Supreme Court held that the commission, in the *Grain Case*, had erred in failing to accord defendants an opportunity to bring the record down to date, and remanded the case for further hearing, the commission promptly reopened the *Live-Stock Case* and set it down for further hearing. Hearings were had at various points in the Western District, and the case was submitted upon brief on August 1, 1932. Oral argument was had before the entire commission on October 13 and 14, 1932. The commission rendered its decision on January 10, 1933. It affirmed its prior finding with respect to the levels of the rates previously prescribed by it. However, it modified its original findings as follows:

With respect to stocker and feeder rates, its former finding was modified to the extent that carriers are not required to maintain such rates on the 85 per cent basis to points at which there are maintained public feed-yards for live stock. Under this modification, the carriers were authorized to cancel and withdraw the stocker-feeder rates on the 85 per cent basis at such public feed-yards as Morris, Kansas, Valley, Nebraska, and others operated by the carriers themselves or independently. Feeding at public yards may still be had at the established charges therefor, under the transit rules and the rates on live stock fit for slaughter.

The commission modified its former finding respecting stocker and feeder rates by authorizing the carriers to continue the application thereof to points at which a live-stock slaughtering establishment is maintained, or to points in close proximity to such slaughtering points, *contingent upon a subsequent rail haul within a reasonable time.* Generally speaking, the carriers have not availed themselves of this latter modification.

In addition, the commission modified its original report dealing with calves in two important respects, to-wit: (1) It defined calves as animals weighing not more than 450 pounds. In the original report, it had defined them as animals one year of age and under. (2) It prescribed an alternative rule that the charges on a single-deck carload of calves shall not exceed those that would accrue at the carload weight and minimum rate on cattle.

General Rate Investigation

On January 25, 1933, five national associations of producers of farm products, coal, and lumber filed a "memorial petition," in which the commission was asked to institute a prompt investigation respecting the unreasonableness of the interstate freight rates on all "basic commodities." The commission assigned the petition for oral argument in March, 1933. At that time, the American National Live Stock Association adopted the petition as its own, and Secretary Mollin appeared at the oral argument and urged that the matter be set down for hearing.

By order dated March 31, 1933, the commission instituted, upon its own motion, a general investigation under Docket No. 26000, for the purpose of determining whether the existing interstate freight rates and charges, in the aggregate, in the country as a whole, or in the several territorial rate groups, or upon specified commodities and descriptions of traffic, were or would be unreasonable under the provisions of the law which it administers.

Messrs. Mollin and Blaine presented documentary and other evidence in behalf of the live-stock industry at the hearings which were held at Washington, D. C. Our evidence definitely established the fact that the present rates on live

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stock in the United States range from 20.37 per cent to 84.28 per cent *higher* than the rates prescribed by the commission, and in effect prior to 1918. Our evidence further established that the average farm values of live stock in the United States on January 1, 1933, ranged from 35.6 per cent to 57.67 per cent *below* the average farm values per head on January 1, 1915.

The case was orally argued before the commission and submitted for decision on June 28, 1933. The commission rendered its decision on July 21, 1933. It refused to order a reduction in the general level of freight rates on the grounds:

1. That the freight-rate level is not depressing the volume of traffic or business of the country as a whole, and that general reductions would not stimulate the aggregate volume of traffic by railroad, except so far as they would tend to recover traffic from competing forms of transportation.
2. That the net revenue of the rail carriers in 1932 was the lowest in many years, but only approximately half that of 1921—a depression year; and that, after making full allowance for the recent upturn in the volume of traffic, if rates in general were lowered as much as 10 per cent, the net revenue in the near future would probably fall short of meeting fixed charges.
3. That general rate reductions, by still further lowering the revenues of rail carriers, would threaten the continuance of adequate railroad service and, by preventing maintenance or other work, would tend to increase unemployment.
4. That preservation of an adequate railroad transportation machine is more important to the country than lowered freight rates.

That the commission fully realized that a substantial volume of traffic had been diverted from the rail lines to the trucks, and that the rates assailed were high, is clearly evidenced by two of its further findings; i. e., (1) that the earnings of rail carriers have been greatly affected by loss of traffic to motor and water carriers, and by reduced rates made to meet competition of such carriers; (2) that, after allowance for the then recent upturn in commodity prices, the freight-rate level is still relatively higher than the commodity-price level.

Taking the decision as a whole, I believe it is fair to say that the refusal of the commission to order a substantial reduction in the general level of the freight rates was due to the fact that such action would have been deflationary, and, therefore, contrary to the inflationary policy of the administration. The commission, in its decision, further states:

"As soon as sufficient time has elapsed so that it can be determined with reasonable certainty that the prices of particular commodities have stabilized on a level lower than that of commodities in general, and that the rates on such commodities are higher than they can reasonably bear, consideration should be given by respondents to readjustments of such rates in harmony with the changed conditions. The general process of rate revision to meet competition of other forms of transportation, to meet other contemporary conditions, and to facilitate the free flow of commerce must continue without abatement. Any industry may bring the rate-level on its commodities to our attention, with a view to bringing about such readjustments in the rates thereon as may be warranted by changed conditions which appear to have sufficient permanency to be used as a basis for readjusting rates."

Commissioners Aitchison, Porter, and Lee conducted the hearings in this proceeding. Commissioner Aitchison wrote a vigorous dissent, in which Commissioners Porter and Lee joined. Commissioner Eastman did not participate in the disposition of the case.

As the live-stock prices have not increased in keeping with the increases in the prices of other commodities, but, on the contrary, have decreased substantially since July, 1933, it occurs to me that the industry can with propriety accept the invitation of the commission again to present the rates on live stock for review.

Weighing Live Stock at Country Points in West

This proceeding is the outgrowth of schedules filed with the commission to become effective August 10, 1933, stating new individual and joint regulations and practices with respect to the weighing of live stock for the purpose of computing freight charges. The Texas and Southwestern Cattle Raisers' Association filed a petition with the commission asking the suspension of the proposed rules and regulations. This association joined in the request. Thereupon the commission, by orders dated August 9 and 15, 1933, suspended the proposed schedules, and assigned the matter for hearing at Fort Worth, October 16, 1933, before Commissioner Lee. However, prior to the date of the hearing, the respondents voluntarily canceled the schedules under suspension, and established amended provisions in lieu thereof, satisfactory to the protesting parties. Consequently the commission set aside its order of suspension and discontinued the proceeding without hearing thereon.

Rates on Meats to Pacific Coast

This proceeding was dealt with in my third and fourth annual reports. It had its inception in complaints filed by Armour & Co., and numerous other packers, assailing the rates on fresh meats and packing-house products, in carloads, from all the major packing centers in the United States, Denver and east thereof, to destinations in the Pacific coast and intermountain states. The complaints were originally assigned for hearing in February, 1932, but, when the commission reopened the *Live-Stock Case*, complainants asked that the hearing in this proceeding be deferred until after the final decision in that case. As above stated, the decision was rendered in January, 1932. Shortly thereafter, the Denver Union Stock Yards Company, the Omaha Stock Yards Company, and the Denver and Omaha Live Stock Exchanges filed additional complaints, alleging that the rates on live stock from and to Denver and Omaha, respectively, were unduly preferential, and that the rates from those points to the Pacific coast and intermountain states on fresh meats and packing-house products, in carloads, were unduly prejudicial.

As this association has members throughout the territory west of Chicago and the Mississippi River, some of whom were supporting the above-named complaints and others opposing them, it was decided by the executive officers that the association would remain neutral so far as the reasonableness of the rates *per se* was concerned, but would vigorously oppose any attempt on the part of any of the complainants to secure rates on fresh meats and packing-house products based upon a definite and fixed relation to present live-stock rates.

Therefore, Secretary Mollin and Calvin L. Blaine appeared on behalf of the association at the Los Angeles hearing on November 27, 1933, and adduced evidence in opposition to the fixation of rates on fresh meats and packing-house products with a definite and fixed relation to the rates on live stock. Briefs are scheduled to be filed with the commission on February 19, 1934.

Motor-Vehicle Legislation

As stated in my fourth annual report, the railroads throughout the country have been actively engaged, at the expense of the general public, in promoting and sponsoring legislation, in the guise of regulation, which is nothing short of strangulation, to govern motor vehicles. A great many bills were sponsored by the railroads and introduced in the legislatures of the various states in 1933. Much of the propaganda broadcast in support of these bills was contrary to the facts. Therefore, in order to acquaint the public and the members of the various legislatures with the facts, this office

published a booklet of approximately seventy pages, entitled "Facts Regarding Railroads, Public Highways, and Motor Vehicles." This booklet was given widespread circulation early in 1933. In addition, the officers and members of the association rendered invaluable service in acquainting the public with the facts and in opposing the railroad-sponsored bills in the various legislatures. The majority of such bills were defeated.

However, immediately after the close of the state legislatures the railroads concentrated their public-relations, legal, and other representatives in Washington, where they have been working during the past six months with a view of securing federal legislation to govern motor vehicles engaged in interstate commerce. On January 12, 1934, Representative Rayburn, of Texas, chairman of the House Committee on Interstate and Foreign Commerce, introduced a bill (H. R. 6836) to regulate buses and trucks in interstate commerce. If this bill is enacted into law (which it should not be in its present form), an unwarranted burden will be saddled upon the motor-vehicle industry merely for the sake of handicapping it so as to decrease the competition with the railroads. Obviously such action is not in the best interests of the shipping public. It is significant that the demand for regulation of motor trucks comes from competing transportation agencies, as distinguished from the shipping public, which pays and bears the transportation charges.

If the above bill becomes law, motor-vehicle common carriers will be required to secure certificates of convenience and necessity, and contract carriers will be required to secure permits from the Interstate Commerce Commission before they can engage in interstate commerce. Moreover, both common and contract carriers will be compelled to file rates with the commission, and they cannot change these rates except after notice is given the commission and the public. The bill confers complete power upon the commission to prescribe the exact maximum and minimum rates to be charged by motor carriers. Substantially the same law is now in effect in one or two states, and invariably the regulatory bodies of those states have fixed, as the minimum rates to be charged by motor vehicles, the rates concurrently published by the railroads from and to the same points.

The reason why the railroads are determined to hamstring the motor-vehicle carriers is apparent; i. e., motor buses and trucks are giving the public lower rates, and, in many instances, superior service, thus materially lessening "what the traffic will bear and still move by railroad."

Whenever the railroads ascertain the costs of performing their various services, and then make and establish their rates with regard thereto, will be the proper time, and not before, to regulate the rates charged by motor vehicles.

This association, by resolutions adopted at the Ogden and Albuquerque conventions, is on record to the effect that motor vehicles should be reasonably regulated, in the public interest, to the end that, if they are not already doing so, they may bear their fair share of the cost of constructing and maintaining the public highways, which they use.

The motor-truck industry is in its infancy. Therefore the time has not arrived for subjecting it to regulation as to rates. The railroads of this country operated from 1830 to 1907 before they were regulated to the extent that they now propose for their competitors, the motor trucks, which are saving the shipping public millions upon millions of dollars annually by according lower rates, and, in many instances, more expeditious and superior service, than those accorded by the railroads.

This is an important matter to the live-stock industry. According to a report rendered by the Department of Agriculture in February of last year, 40.57 per cent of the total receipts of all classes of live stock at seventeen of the primary markets, principally in the Western District, were trucked in during the year 1932. Thus it is clear that the motor trucks are rendering an invaluable service to the industry.

Consequently, I recommend that the officers and members of this association immediately write or wire their congressmen and senators that they are opposed to the regulation of motor trucks other than reasonable regulation, to the end that, if they are not already doing so, they may bear their fair share of the burden of constructing and maintaining the highways which they use. Moreover, that any regulations enacted into law governing motor trucks should be solely in the interest of the shipping public, which pays and bears the charges, and not for the purpose of saddling a burden upon motor trucks merely because they compete with the railroads.

In recent years, the railroads have reduced many of their rates to meet motor-vehicle competition. In some cases the rates thus established resulted in the elimination of this competition. Thereupon the railroads invariably increased the rates established by them. This is the same practice which resulted in the enactment into law of paragraph 2 of section 4 of the Interstate Commerce Act, which deals with water competition.

I recommend that Congress be asked immediately to amend that paragraph by the addition thereto of motor vehicles and motor-vehicle competition; in other words, that the paragraph be amended to read as follows:

"Whenever a carrier by railroad shall, in competition with a water route or routes *and/or motor vehicles*, reduce the rates on the carriage of any species of freight to or from competitive points, it shall not be permitted to increase such rates unless after hearing by the commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of water *or motor-vehicle* competition."

The words in italics are those which I recommend be added to the existing law.

(The foregoing recommendation was made verbally to the Executive Committee at the Albuquerque convention and adopted by it, following which the convention passed a resolution accordingly.)

TRAFFIC BRIEFS

A BILL (S. 2450) HAS BEEN INTRODUCED BY SENator McCarran, of Nevada, which would (1) repeal section 4 of the Interstate Commerce Act, thus permitting the railroads to make lower rates to and from the Pacific coast than those maintained at less-distant and directly intermediate points; (2) repeal section 19(a)—the valuation section—thus precluding the use of current valuations of railroads for rate-making purposes; (3) amend section 9 (1)(a) so as to subject intercoastal water lines operating through the Panama Canal to railroad regulation and place them under the jurisdiction of the Interstate Commerce Commission; and (4) add a new section which would limit to sixty the number of cars in any freight train operated in the United States. Hearings are expected to be held soon before the Committee on Interstate and Foreign Commerce.

Charles E. Blaine, traffic counsel of the American National, urges vigorous opposition to the first three proposals.

* * *

William E. Lee, of Idaho, a member of the Interstate Commerce Commission for several years, has been advanced to the chairmanship.

COMMERCE IN AGRICULTURAL PRODUCTS

EXPORTS AND IMPORTS OF LIVE STOCK, MEAT products, animal and vegetable oils and fats, hides and skins, wool, and grain from and into the United States for the calendar year 1933, as compared with 1932, are given below. Noticeable changes occurring during the past year were practically all on the import side. Thus, imports of canned meats almost doubled; imports of copra and coconut oil rose 45.7 and 26.9 per cent, respectively; imports of cattle hides increased 151.3 per cent; and imports of wool advanced by no less than 216.7 per cent. Owing to the efforts now being made to have Congress curtail imports of vegetable oils going into the manufacture of margarine, we have included statistics for these oils in the tables:

LIVE ANIMALS

(Numbers)

EXPORTS

	1933	1932
Cattle	2,912	3,614
Hogs	14,207	11,078
Sheep and goats	676	4,123
Horses	626	2,175
Mules, asses, and burros	2,652	1,408
Totals	21,073	22,398

IMPORTS

	1933	1932
Cattle	79,978	103,979
Sheep and goats	1,114	1,247
Horses	3,125	2,465
Totals	84,217	107,691
Hogs (pounds)	6,470	28,875

MEAT PRODUCTS

(Pounds)

EXPORTS

	1933	1932
Beef and veal, fresh	2,899,681	1,633,464
Beef and veal, pickled	12,733,869	9,868,428
Horse meat	2,695,159	4,020,919
Mutton and lamb	321,129	259,427
Pork, fresh	14,410,452	8,133,092
Pork, pickled	16,608,460	15,258,569
Bacon	20,397,046	18,173,249
Cumberland and Wiltshire sides	1,192,661	783,654
Hams and shoulders	78,579,479	65,217,927
Poultry and game, fresh	2,428,916	1,258,248
Sausage	2,631,705	2,036,956
Canned meats	13,498,662	11,420,444
Total meat products	231,440,594	191,013,280

IMPORTS

	1933	1932
Beef, fresh	320,775	770,044
Veal, fresh	56,974	112,213
Pork, fresh	538,730	1,650,263
Mutton, fresh	9,560	27,593
Lamb, fresh	5,891	48,975
Other fresh meats	579,367	680,756
Poultry, fresh	462,395	587,319
Poultry, prepared	297,555	488,408
Canned meats	43,024,989	22,853,128
Beef and veal, cured	657,818	813,844
Hams and bacon	1,698,677	3,022,284
Pork, pickled	688,110	1,101,302
Other prepared meats	4,805	6,994
Total meat products	62,474,911	44,811,748

WOOLS

(Pounds)

EXPORTS

	1933	1932
Wool and mohair, unmanufactured	19,312	179,161

IMPORTS

	1933	1932
Wool and mohair, unmanufactured	178,927,605	56,535,176

EDIBLE ANIMAL OILS AND FATS

(Pounds)

EXPORTS

	1933	1932
Lard	579,071,641	546,183,691
Neutral lard	5,106,701	5,951,227
Oleo oil	33,782,609	42,409,410
Total animal oils and fats	640,023,187	613,236,659

IMPORTS

	1933	1932
Edible animal oils and fats	99,928	636,551

VEGETABLE OILS AND FATS

(Pounds)

EXPORTS

	1933	1932
Coconut oil	818,689	1,977,115
Cottonseed oil	9,291,861	10,912,851
Soybean oil	1,569,030	2,646,521
Corn oil	1,026,000	960,428
Cocoa butter	2,119,628	855,251
Cooking fats	2,601,935	2,399,766
Other oils and fats	735,833	1,600,318
Totals	18,162,976	21,352,250

IMPORTS

	1933	1932
Copra	660,871,821	453,447,427
Coconut oil	316,078,135	249,116,580
Linseed oil	11,257,148	25,243
Sesame seed	42,630,809	19,182,095
Palm kernels	14,918,052	28,699,751
Palm-kernel oil	12,956,877	2,110,870
Palm oil	287,482,836	217,167,294
Soybean oil	3,669,048	404,572
Sunflower-seed oil	23,849,341	16,456,724
Corn oil	9,168,786	....
Peanut oil	1,317,828	1,489,138
Totals	1,384,200,681	988,099,694

HIDES AND SKINS

(Pounds)

EXPORTS

	1933	1932
Cattle hides	17,180,853	26,608,294
Calf and kip skins	5,102,768	6,656,459
Sheep and goat skins	1,703,496	2,344,574
Others	3,510,248	6,796,178
Totals	27,497,365	42,405,505

IMPORTS

	1933	1932
Cattle hides	139,878,640	55,667,518
Buffalo hides	279,080	261,350
Indian water-buffalo hides	705,142	453,830
Kip skins	12,885,657	9,548,906
Calf skins	31,845,943	21,454,513
Horse, colt, and ass hides	11,761,879	8,528,426
Sheep and lamb skins	51,536,394	33,465,541
Goat and kid skins	79,340,252	51,452,646
Kangaroo skins	1,003,931	573,012
Deer and elk skins	1,973,526	1,604,732
Reptile skins	1,448,653	1,182,605
Others	7,320,623	6,036,193
Totals	339,979,720	190,229,272

GRAIN

(Bushels)

EXPORTS

	1933	1932
Barley	7,142,285	7,043,415
Buckwheat	5,073	299,538
Corn	5,364,642	7,885,855
Oats	1,475,692	3,486,478
Rye	39,871	1,095,704
Wheat	8,883,339	54,879,484
Totals	22,910,902	74,690,474
Wheat flour (barrels)	3,963,615	5,795,462

THE MARKETS

LIVE-STOCK MARKET IN FEBRUARY

BY JAMES E. POOLE

CHICAGO, ILL., March 1, 1934.

INEVITABLE, BUT DEFERRED, ADJUSTMENT OF cattle values has proceeded apace recently. The "big brutes" have advanced $1 per cwt., in spots more, while the appreciation in light cattle has been barely perceptible. One of the darkest passages in the annals of American live-stock history is nearing the finis stage. Soon it will be forgotten. A New Deal impends, if it has not already arrived. At least, it conveys hope to the commercial breeder—a timely change of luck.

Common Steers Are Favorites

New-crop steers, half-baked in the main, are yielding feeders attractive profits, at the expense of the man who grew the cattle. Margins of $2 to $2.50 per cwt. are the rule in the case of steers laid in last September and October, and the lower they can be priced to killers, the more readily they go over the scales. Casual perusal of a fat-cattle price-list, with tops in the $7 to $7.35 range, conveys no adequate idea of what has developed in middle and cheap grades. A set of prime bullocks fed a year or more must be content with $6.25 to $6.50, while a load of dogs, on which the initial investment was anywhere from $2 to $3 per cwt., interests killers when priced at $4 to $4.75. Feeders' margins on common steers have rarely, if ever, been so wide; in the case of finished steers, so narrow.

Cry Still Is for "Something Cheap"

Beef trade has picked up, although heavy carcasses still encounter sales resistance. Every ounce of beef yielded by a common light steer gets action. The pendulum is probably at the extreme arc of its circle; sanity will return and merit get recognition; but popular clamor for "something cheap" is dominant. Chain stores emphasize it; restaurants join in the chorus.

Beef Production Shows Little Diminution

Beef production from week to week exhibits no marked curtailment. Such tonnage as reduction of the proportion of overweight steers represents has been taken up by a mass of short-fed steers sent to the butcher prematurely, because corn is worth 100 per cent more than a year ago, the operation is profitable, and such profits have an ephemeral disposition. Three months hence beef supply will be on an entirely different basis, killers will be clamorous for 1,300- to 1,500-pound steers, and light cattle will comprise the bulk of supply. This may not prove to be an unmixed evil, as lightness and cheapness are what the consumer demands.

Long-Feds Soon to Be on Sounder Basis

Speculation as to what the fat-cattle market may do sixty, or even thirty, days hence is futile. That the course of 1934 trade will be radically different from that of 1933 is a cinch bet. At the moment, long-fed steers are working on to a sounder basis, but not earning enough money to let feeders cut whole. Light cattle are making as much net profit as at any time since the big war, when by official edict they were the under-dogs of the trade.

Consumer Sales Resistance

Assuming that the country markets the crop of fat, or half-fat, steers now in the making stage early, developments will be rapid. Cut weekly beef production 10 to 15 per cent, and sales resistance will disappear. This is not to be construed as a prediction of $10, or even $8, cattle; but, if feeders get a continuous turn-over of the $5.50 to $6.50 kinds, they will have no reason for protest.

Government Buying of Cows Disappointing

Government cow-buying has not resulted in an era of good feeling. Paying anywhere from $1.75 for canners up to $3 for decent cows, the federal relief people have failed to earn gratitude in dairy circles. All the campaign has accomplished is creation of an outlet. At Chicago, Indiana, Iowa, Wisconsin, and Illinois are cashing thousands of dairy culls on this price basis, involving an enormous expenditure in the aggregate, but netting individuals only a few dollars. The merit of this purchase is found in the fact that it is supplanting Argentine canned beef in government consumption. As a method of restricting milk production, the scheme is doubtful, as 90 per cent of the animals converted are past the bearing and lacteal stage.

Price Situation Different from That of Last Year

Current cattle prices are slightly variant from the corresponding period of 1933, but feeders are taking a dollar worth around, or less than, 60 cents for their product, and are paying 100 per cent more to put on gain. Paper figures count, however, and, what is more, they are getting action. Each session of the market makes a practical demonstration that the public is eating beef. Its ideas may be economical, but it is buying.

Dairy Breeds Get Preference

Between a finished 1,300-pound bullock, now selling at $6.75 per cwt., and a "bow-wow" weighing 850 pounds and

costing \$4.75, there is an actual difference in value, based on merit, of \$3 per cwt., and yet the "crap" yielded by the run always has precedence in getting over the scales. It is a topsy-turvy market in which a fat Holstein, Brown Swiss, or Jersey steer ranks ahead of a choice Hereford, Angus, or Shorthorn. All of which confounds the philosophy of the erudite champion of cattle improvement. He has not a leg to stand on.

Hog Advance Due to Government Purchases

Jockeying with the hog market is Washington's latest performance. Bureaucracy has been derided, but whoever has manipulated the government hog deal has displayed judgment savoring of legerdemain. The purchasing power behind half a million hogs is not to be derided. Concentrating it at the price-basing markets proved effective in advancing hog prices from a 3½- to a 4¾-cent basis in a few short weeks. Whoever brain-trusted the program did a good job, as, instead of wasting energy by sending orders to Whoop-la, Wisconsin, Crossroads, Iowa, or similar concentrating points, he initiated football tactics by mass attacks. If Secretary Wallace cares to accept responsibility, he is entitled to such encomium as the performance justifies. A 4¾-cent market, Chicago basis, did not convert the hog into a mine of wealth, but it enabled his Porcine Majesty to pay his board-bill; and, in the light of what has happened during the past two years, that alone should place him high in agrarian estimation. No other factor than federal support of the price-list was responsible. Minus that prop, the February hog market would have been on a 3½- instead of a 4½-cent basis. The government, of course, accumulated a vast tonnage of lard and meats, which can be readily distributed on a gratuitous basis; but it got results. Millions of dollars were transferred from Uncle Sam's pocketbook to the depleted purse of the Corn Belt hog-grower. Failing to appreciate what has been done for him, he is an ingrate.

Effect of Pig Sacrifice Should Begin to Show by Late Spring

Six million pigs, immolated on the New Deal altar last fall, have been joined by other millions forced out of production by the corn policy. Even at 4½ cents, Chicago basis, sealing corn in the interior at 45 cents per bushel is a safe bet, and, as a consequence, millions of shoats weighing 160 pounds down have gone to the butcher, because they could not pay for their board. Selling at \$2 to \$3 per cwt., they are clearing the path for a new chapter in swine history, as, by June at the latest, the drastic effects of this tonic should be in evidence. A short summer hog run may establish what the brain trust terms a "fair exchange" price—somewhere in the vicinity of \$7.50 per cwt., including the processing tax, which returns to the grower by an indirect route.

Average Hog Brings \$4.60

Early in March, average hog cost at Chicago figured at \$4.60. Add a \$2.25 processing tax, and cost to the packer is approximately \$6.85 per cwt. If the ultimate consumer stands the gaff, proof positive will have been furnished that a good hog is worth around \$7 per cwt. on a meat-distribution basis. And that's that.

New Chapter in Porcine History Being Written

Between now and some future time when the hog-raiser must reduce his pig surplus to government contract numbers, a new chapter in live-stock history will be written. The Corn Belt must, by hook or crook, be evacuated of 25 per cent of

its porcine population. Pigs may be "knocked in the head" by slight muscular effort, but sows must go to market. One sow out of every four is destined to contribute to the national pork supply, and the moment pigs have been weaned they will be headed in the direction of the abattoir. It means a vast accretion to pork and lard supply that probably has not entered into brain-trust calculation.

Weight Will Make up for Reduced Numbers

Pig population will be automatically reduced 25 per cent compared with 1932-33 production on a numerical basis, but the brain-trusters have not reckoned with tonnage. To atone for reduced numbers, the average grower will make sufficient weight to fill packers' cellars. In the evolution of the plan, it may be necessary to prescribe weight limits. If that is attempted, growers will manifest displeasure. In other words, the hog phase of the corn-hog plan is full of blow-holes, and not the least of these is the incentive it furnishes for private consumption of product. Packers, threatened with loss of their southern outlet for "nigger" meat, are already voicing alarm—not without cause, as the Cotton Belt, normally a heavy consumer of Corn Belt hog meat, can get into adequate local production without bursting a suspender. The product of several million hogs, which farmers of the corn, wheat, cotton, tobacco, and other areas have been buying from northern packing-houses, will be produced and processed locally to avoid the federal processing tax, and, in much the same manner as the income-tax law has made evasion possible, the hog-restriction plan will be nullified. The people at Washington are playing with fire, and, once the incineration process begins, its scope is illimitable. Meanwhile the hog market needs government support, and will continue to be in need of it until legerdemain is no longer imperative. The price-sustaining effort is at least interesting.

Lamb Values Continue to Climb

Starting at $6 last November, fed lambs sold at $10.10 per cwt. late in February. There is no explanation, other than that consumers are taking the meat, and millmen the wool. Fed lambs, selling at $5.25 a year ago, have wriggled out of the rut and are earning $9.75 to $10. Nor has the recently derided fat ewe, now the sole source of mutton supply, done much worse, as it has appreciated 100 per cent in two months. If lamb-feeders were not covering debts created by last winter's losses, they would be wearing diamonds, or buying more sheep. The lamb market advanced $2 per cwt. from January 1 to March 1. Compared with last December, or just before the holidays, the appreciation was $3 per cwt., and, at the new price-scale, killers have almost scrapped for a "divvy" of the daily supply. Feeding lambs acquired at $5 to $5.50 last fall have realized anywhere from $9.50 to $10 per cwt., and, if sheep-house oracles are credible, the crest has not been reached. Fat ewes, worth $2 to $2.50 not long since, have gone on a $5.25 to $5.60 basis; not that the public has clamored for mutton, but because few were available. Wool, of course, is a major factor, but that is not an adequate explanation of such a phenomenal advance. Dressed trade has savored of wizardry. Lamb carcasses that ran into sales resistance last winter at $8 to $13 per cwt. have been courted at $12 to $17, and, although killers have squawked, they have gone the pace. The late February advance in lambs, from Chicago to Denver, was attributable to the fact that feeding territory east of Chicago was bare. Indiana filled up with contract lambs last fall; Ohio, with a short corn crop, got few; and Michigan, with money to burn and feed galore, decided to wait. At this juncture, Michigan feeders and shearers are clamorous for half-fat lambs, but cannot buy a hoof. Wisconsin is short, Iowa has cashed, and feeders west of the Missouri River are in control of the situation. Further substantial appreciation appears unreasonable, and yet nobody engaged in slitting a lamb's throat is losing a dime. Meat is vending, wool is selling, provided the owner needs money, and visible supply does not warrant expectation of any sharp price recession. If Texas had a million lambs for immediate disposal, it could sell every animal overnight to Corn Belt feeders and shearers, without going to any market. Michigan has orders for 100,000 lambs that cannot and will not be filled. Shearers are taking the short route to market, realizing that packers can do the job more profitably than they, as the spread is about $2 per cwt. An answer to the oft-repeated assertion that dressed lamb figures in the "red" is found in eastern shipper clamor for $10 lambs at Chicago. And that bunch plays a safe game. Usually it has the product sold before it parts with the mazuma.

Old Crop to Be Exhausted Before New Is Ready

Long before new-crop lambs are ready, the old crop will be exhausted, as practically none are going on feed meanwhile. Storage may be full of poultry and hog product, but chill-rooms do not carry enough lamb to fill a one-seated buggy. Trade is on a day-to-day basis, and will be until new lambs are ready, whereupon there will be a new deal, California, Tennessee, and Kentucky dominating.

Corn Belt Clamoring for Sheep

As usual, the Corn Belt is running wild over sheep. Yearling ewes are worth around $10 per head; aged stock, $6.50 to $7.50; and, when a farmer wants lambs, the impulse to buy is irresistible. Some of him may buy a new car when he gets his corn-hog bounty check, but at least a minority is looking for a chance to make a dollar, and, as his compact with Uncle Sam limits his hog production, a switch to sheep is logical. He cannot borrow from local banks, as during the halcyon period of the industry, but, in a restricted way, he can get into lambs, and during the 1934 season he is destined to be a keen competitor of the westerner. The business cannot be overdone for several years.

LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES SHOWING RECEIPTS, SHIPments, and federally inspected slaughter of live stock at sixty-one markets for the month of January, 1934, compared with January, 1933, and January averages for the five years 1929-33:

RECEIPTS

	January		Five-Year Averages, 1929-33
	1934	1933	
Cattle*	1,140,547	908,423	1,044,388
Calves	502,190	416,002	452,700
Hogs	4,231,177	3,387 726	4,422,269
Sheep	1,817.994	1,914,062	2,046,556

TOTAL SHIPMENTS†

	January		Five-Year Averages, 1929-33
	1934	1933	
Cattle*	382,566	338,978	411,477
Calves	144,636	134,921	137.193
Hogs	1,206,912	978.107	1,577,838
Sheep	691,085	820,494	882,262

STOCKER AND FEEDER SHIPMENTS

	January		Five-Year Averages, 1929-33
	1934	1933	
Cattle*	128 878	125 835	156 465
Calves	36,154	26,656	26.624
Hogs	40,701	29 647	38,801
Sheep	115,538	107,889	145,967

SLAUGHTERED UNDER FEDERAL INSPECTION

	January		Five-Year Averages, 1929-33
	1934	1933	
Cattle*	831.356	612,014	....
Calves	471,222	344 554	....
Hogs	5,390.940	4,699 617	....
Sheep	1 406.646	1,331,522	....

*Exclusive of calves. †Including stockers and feeders.

DEMAND FOR STOCKERS BROADENING

J. E. P.

LIFE WAS INJECTED INTO STOCK-CATTLE TRADE late in February, when Kentucky distillers made their appearance for the first time since the now execrated Volstead Act put them out of business. They took on strings of plain, thin steers at \$3.75 to \$4.25, paying up to \$4.50 for better cattle. Commercial feeders, recovering from the fright into which they had previously been thrown by processing-tax threats, and reassured that immediate application of such threats was impossible, also resumed buying, taking Texas calves approaching the yearling stage in a \$5.25 to \$5.75 range, and paying up to \$6 for picked lots. Feeders also gathered many fleshy yearlings, weighing 700 to 750 pounds, at \$5.25 to \$5.75 for a 100-day feed, creating competition between themselves and killers on a class of cattle that otherwise would have been worth less money. Beef-makers have been encouraged by the gradual advance in fat-cattle values since the turn of the year, and where they lost money on heavy, long-fed bullocks in 1933 are planning to find at least some of it where it was lost.

Country demand has picked up, many half-fat cattle being moved short distances from localities where the bulk of corn has been sealed to the government, to sections where grain is still free to move into the ordinary channels of trade without red-tape. At country concentration points, where business had been suspended since last fall, the lusty come-along of the auctioneer again agitates the ambient atmosphere. Many of the cattle distributed through these channels are of southern origin, the new movement promising to relieve any congestion existing in that quarter. A few feeders, yielding to the impulse to play a fascinating game with an uncertain draw, have taken on warmed-up 1,000- to 1,100-pound steers for 100- to 120-day feeds, but, except in the case of calves, there is an advertised intention to make the finishing period brief. Even calves and light yearlings will be crowded, the quick-turn-over slogan having been generally adopted. Young cattle, wintered in the Corn Belt, have done well and are headed for the shambles at the earliest opportunity. If a beef processing tax is in the offing, the purpose of the average feeder is to make port before the squall arrives. He remembers what the initial hog processing tax did to porcine property, and is doubtful if repetition of the support given by the government to that market recently can be duplicated in the case of fat cattle.

Sealing corn to the government varies according to locality. In some sections free grain has practically disappeared; in others, while not under government mortgage, it is strongly held around or above the loan price. As holders have until April 1 to avail themselves of the government loan privilege, they are taking their time, watching cash and future markets meanwhile. As the trend has been downward, feeders are now able to buy corn in localities where it was out of their reach up to the middle of February.

Corn-trade opinion is by no means unanimously bullish. Many mistrust the accumulation policy, recalling the sequence of Hoover's wheat fiasco. Reduced corn acreage under government rentals will not insure curtailed yields next fall, and there is no indication of shortage at either farm cribs or elevators. Much of the area to be removed from corn is inferior land; in fact, that is the stated policy of participants in the plan. The remaining 80 per cent will be farmed as never before. What the government is actually engaged in is stimulating efficiency in corn cultivation, by seed selection, fertilization, and man-tending the crop. Should physical conditions in 1934 prove favorable, a bumper corn crop will be possible. Every forkful of available manure will be utilized to the best advantage, and, should summer drought appear, frequent cultivation will effectively prevent deterioration. If the 1934 corn crop is planted in timely manner, and early frost fails to nip its ears, the total yield will be a series of surprises. The area on which hybrid corn will be planted—especially in Iowa and Illinois—will be wide, and, if its promoters are credible, added yields of ten to twenty-five bushels per acre will go a long way toward offsetting deficiency made possible by taking 20 per cent out of the cultivated area.

The stage has also been set for an immense crop of rough-

age. Soybean seed has advanced 100 per cent in cost, in response to clamor for the restricted quantity available, so that, even with a possible corn-crop curtailment, abundant bovine diet will be available. All this may profoundly affect the price of corn, incidentally broadening demand for stock cattle next fall.

Revival of stock-cattle demand merely emphasizes the fact that the man who avows, during periods of hard luck, that he will never feed another steer is blessed with a short memory; otherwise he would never have opportunity to recoup losses. Such calamity as invaded the 1933 fat-cattle market was attributable in no small measure to lavish government feeder loans late in 1932. Cattle were acquired, with easy money, at prices that proved ruinous in the finality of the operation. They were carried into excessive weight, in a futile effort to nurse an overloaded market, and finally were cut loose at the lowest prices in years. Now the trend of production is in a diametrically opposite direction, and, as the market is relieved of excessive tonnage, it will right itself.

Recently every factor has been against the feeder. With a rising market, relief from saturation, and the bull element in corn slipping, he sees several rifts in the sky. A normal corn crop, even with reduced acreage, will be in his favor, and meanwhile he has reasonable assurance of relief from such competition as he ran up against last year, when Tom, Dick, and Harry, financed by a paternal government, invaded his sphere of operation. The year 1934 promises to be a profitable one for the regular feeder, who never has fared, and probably never will fare, well on cheap corn. It is a condition presaging a broad spring outlet for stock cattle east of the Missouri River.

COMPARATIVE LIVE-STOCK PRICES

BELOW ARE FIGURES SHOWING PRICES ON THE principal classes and grades of live stock at Chicago on March 1, 1934, compared with February 1, 1934, and March 1, 1933 (per 100 pounds):

SLAUGHTER STEERS:	Mar. 1, 1934	Feb. 1, 1934	Mar. 1, 1933
Choice (1,100 to 1,500 lbs.)	$ 5.75- 7.35	$ 5 00- 7.00	$ 5.25- 7.25
Good	4.75- 6.50	4.00- 6.25	4.50- 6.50
Choice (900 to 1,100 lbs.)	7 00- 7.50	6.25- 7.25	6 75- 7.50
Good	6.25- 7.00	5.50- 6.50	5.25- 6.75
Medium (900 lbs. up)	4.75- 6.25	4.00- 6.00	4.50- 5.50
FED YEARLING STEERS:			
Good to Choice	6.25- 7.50	6.25- 7.25	6.75- 7.50
HEIFERS:			
Good to Choice	5.00- 6.75	4.50- 6.75	4.25- 5.75
COWS:			
Good	3.75- 4.25	3.25- 4.00	2.50- 3.00
CALVES:			
Good to Choice	4.00- 5.50	4.50- 5.50	3.50- 4.25
FEEDER AND STOCKER STEERS:			
Good to Choice	4 50- 5.75	3.50- 5 00	4.50- 6.00
Common to Medium	3.25- 4.75	2.50- 3.50	2.75- 4.50
HOGS:			
Medium Weights (200 to 250 lbs.)	4.50- 4.70	3.70- 4.00	3.45- 3.65
LAMBS:			
Good to Choice (90 lbs. down)	9.25-10.25	8.50- 9.35	5.25- 5.65
EWES:			
Good to Choice	4.00- 5.75	3.00- 4.85	1.75- 3.00

HIDES REMAIN STATIONARY

A STATIONARY HIDE MARKET FOR WEEKS PAST conveys no promise of further appreciation. Leather trade is healthy, and the shoe industry is well employed, but continued heavy cattle slaughter is against higher prices. Packers, who control the bulk of the supply, refuse to make concessions and are responsible for a stable market at 9 to 10 cents per pound—a trade basis that appears to be thoroughly established. Country hides are scarce, following the packer market.

Tanners are pursuing the stereotyped policy of bidding half a cent lower until their needs force them into the market, thus creating periods of deadlocks and heavy sales in alternation. This keeps packers well sold up.

The hide market is in position to advance the moment cattle slaughter diminishes—a condition deferred by the government corn-loan policy, which has forced thousands of short-fed steers to market prematurely. Slaughter of cows on government account is also piling up more hides in packers' cellars than would be the case otherwise.

HOLDINGS OF FROZEN AND CURED MEATS

BELOW IS A SUMMARY OF STORAGE HOLDINGS of frozen and cured meats, lard, poultry, creamery butter, and eggs on February 1, 1934, as compared with February 1, 1933, and average holdings on that date for the past five years (in pounds except as otherwise noted):

Commodity	Feb. 1, 1934	Feb. 1, 1933	Five-Year Average
Frozen beef	51,870,000	26,521,000	51,921,000
Cured beef*	21,791,000	13,029,000	19,327,000
Lamb and mutton	4,177,000	2,029,000	3,347,000
Frozen pork	177,200,000	143,085,000	194,010,000
Dry salt pork*	110,910,000	81,885,000	115,591,000
Pickled pork*	440,293,000	350,114,000	390,576,000
Miscellaneous	71,463,000	47,313,000	77,626,000
Total meats	877,704,000	663,976,000	852,398,000
Lard	169,098,000	52,841,000	85,318,000
Frozen poultry	120,166,000	104,833,000	112,325,000
Creamery butter	76,051,000	17,833,000	34,422,000
Eggs (case equivalent)	1,477,000	1,402,000	2,010,000

* Cured or in process of cure.

WHOLESALE MEAT PRICES

WHOLESALE PRICES ON WESTERN DRESSED meats at Chicago on March 1, 1934, compared with February 1, 1934, and March 1, 1933, were as below (per 100 pounds):

FRESH BEEF AND VEAL

	Mar. 1, 1934	Feb. 1, 1934	Mar. 1, 1933
STEERS (700 lbs. up):			
Choice	$ 8.00- 9.00	$ 8.00- 9.00	$ 8.00- 9.00
Good	7.00- 8.00	7.00- 8.00	7.00- 8.00
STEERS (500 to 700 lbs.):			
Choice	9.00-11.00	8.50-10.50	8.50-10.50
Good	8.00-10.00	7.50- 9.50	7.50- 9.00
YEARLING STEERS:			
Choice	10.50-11.00	10.50-11.00	9.00-11.00
Good	9.00-10.00	9.00-10.00	8.00- 9.00
COWS:			
Good	6.50- 7.00	6.50- 7.00	6.00- 7.00
VEALERS:			
Choice	10.00-11.00	10.00-11.00	8.00-10.00
Good	9.00-10.00	9.00-11.00	7.00- 8.00

FRESH LAMB AND MUTTON

LAMBS (45 lbs. down):			
Choice	$15.00-16.00	$15.50-16.50	$11.50-12.50
Good	14.50-15.50	14.50-15.50	10.50-11.50
EWES:			
Good	7.00- 8.00	6.00- 7.00	7.00- 8.00

FRESH PORK CUTS

LOINS:			
8-12 lb. average	$12.00-13.50	$ 9.00-10.00	$ 8.00- 9.00

FEBRUARY WOOL TRADE SLUGGISH

A SLUGGISH WOOL MARKET ALL THROUGH FEBruary reflected restricted stocks and an indisposition to transact business, rather than weakness. Foreign markets showed an inclination to recede slightly, but this was regarded as logical. Domestic prices held fully steady on the small volume of business actually transacted, demand favoring medium wools. At Boston, twelve-month Texas wools sold on fine dress-goods trade account at 85 cents per pound, clean basis. No marked change developed in the western situation, 30 cents per pound being the apparently established base price. In the Southwest, early Arizona-shorn wools sold on Boston account at 30 cents, costing 82 to 85 cents clean, Boston parity.

An easier tendency in foreign markets causes no concern in domestic circles. Dealers and millmen are naturally opposed to marking up prices in advance of shearing time, and are awaiting foreign developments. Financial stringency in European wool circles may have been a factor in such recessions as have been recorded across the water. Possibly anxiety to secure wool was responsible for overshooting the mark. Wool receipts at European centers have been unseasonally heavy.

An open winter over most of the United States has been against a free movement of overcoats and heavy suits into consumer channels, and the piece-goods market has lost its recent vim. In the "buy-now" movement last summer and fall many refitted wardrobes, on the theory that values were due to soar, and, having stocked, are not in a mood to acquire clothing not actually needed. In a few weeks the summer-clothing season will stimulate distribution.

As it is, domestic prices have been maintained on a firm basis. Government buying of fabrics and blankets has propped the price-list to some extent, which accounts for activity in medium-to-low counts, while the finer grades of wool are not in such urgent demand. However, the trade has little apprehension of lower prices here or overseas. Such handicaps as have recently developed are political and monetary, the result of uncertainty in business circles, creating an aversion to carrying inventories and putting the trade in a mood to chart a conservative course.

Shearing began in February in Arizona, but few sales have been made, early short wools in that quarter going forward on consignment, in many instances, against winter loans. A limited volume of 30-cent business, involving wool still on the sheep's back, has been done at prices representing 85 to 90 cents, clean, landed at Boston.

Missouri and Wisconsin quarter and three-eighths are moving in a range of 39 to 41 cents, Ohio three-eighths combing costing 43 cents. Ohio delaine has sold at 36 cents; three-eighths clothing, at 33 to 34 cents in the grease. The new clip, both territory and fleece, will move early, as prices are satisfactory, and the rank and file of sheep-growers, farm and range, can use sales proceeds to advantage.

FEEDSTUFFS

THE PRICE OF COTTONSEED CAKE AND MEAL ON March 3 was quoted at $24 a ton, f. o. b. Texas points. Omaha hay prices on March 2 were as follows: Alfalfa—choice leafy, $13 to $14; No. 1, $11.50 to $12.50; standard leafy, $11 to $11.50; standard, $10.50; No. 2, $9 to $10; No. 3, $8 to $9; sample, $7; upland prairie—No. 1, $10 to $11; No. 2, $8.50 to $9.50; No. 3, $8; sample, $7; midland prairie—No. 1, $8.50 to $9.50; No. 2, $7 to $8; sample, $6; mixed hay—No. 1, $9.50 to $10.50; No. 2, $8.50 to $9.50; No. 3, $7 to $8.

CALVES AND COYOTES

WHITEWATER, COLO., February 24, 1934.

TO THE PRODUCER:

I have ranched and run cattle for over thirty-five years, and have had lots of experience with predatory animals. My opinion is that the coyote is one of our worst enemies. I have known of many cases where cows have bedded down their little calves and gone several miles to water or feed, being away for hours at a time. While the mothers were gone, coyotes would sneak up, and kill and eat up the helpless calves. Not only that, but I have caught a number of them right in the act.

Every fall I have made it a practice to trap coyotes, catching from twenty to forty a year. I know that they need some kind of control, as they are getting more numerous in our section. We run cattle on the Uncompahgre National Forest, in Mesa County, southwest of Grand Junction, Colorado.

MATT CASTO.

CONSTITUTIONALITY OF AAA

LAST MONTH WE REPORTED A DECISION BY A Florida judge virtually holding the Agricultural Adjustment Act unconstitutional, in that he had issued an injunction restraining the Control Committee of that state from enforcing its pro-rating orders to citrus-growers. Now this injunction has been "stayed' by the United States Circuit Court of Appeals for the Fifth District.

In most cases where court decisions on the constitutionality of the act have been appealed, its validity has been upheld. It will, however, take a ruling by the Supreme Court of the United States to settle the matter once for all.

NOTES FROM FOREIGN LANDS

Holland to Restrict Cattle Numbers

In an effort to improve prices, the government of the Netherlands is planning to reduce cattle numbers in that country. The plan includes purchase and slaughter of surplus cows, the beef to be exported, or canned for sale to the unemployed. Other features are the imposition of a slaughter tax and restriction of the number of calves.

Argentina's Wheat Crop

The first official estimate of Argentina's wheat crop for the current season places it at 256,174,000 bushels. Last year's crop was of 235,378,000 bushels. A basic price on wheat and corn will be established periodically by the Argentine government. Effective November 29, 1933, this price was fixed at 62.8 cents a bushel for wheat and 44.86 cents for corn.

Per-Capita Meat Consumption in Various Countries

Following are official estimates of per-capita meat consumption in some of the most important countries for 1932 (in pounds):

	Beef and Veal	Mutton and Lamb	Pork and Lard	Total
United States	54.2	7.1	87.2	148.5
Argentina	213.6	23.9	35.7	273.2
Australia	*94.5	*76.5	*10.7	*181.7
New Zealand	149.0	115.8	24.7	289.5
Canada	56.0	7.0	91.8	154.8
United Kingdom	59.0	31.0	46.7	136.7
Germany	38.3	1.4	71.8	111.5
France	49.9	6.6	38.7	95.2

*Average 1930-31. In the case of Australia, "pork" includes bacon and hams only.

ROUND THE RANGE

RANGE AND LIVE-STOCK CONDITIONS

California

We have had a wonderful winter—no cold weather and no losses. Cattle are in good condition. Grass is growing, with every promise of early beef. The only drawback is price. With high taxes, high rent, and high overhead, it is next to impossible to make both ends meet.—J. LEE OGIER, San Jose.

Montana

We have had a fine winter so far. Green grass has started already. We have had no loss in any kind of stock. Feed is plentiful all over this part of the country. Stockmen here are looking forward to better prices for cattle, hoping they will come soon. If we have to raise cattle at present prices, we shall all have to get out of the business. I think we should work on the tariff more, as foreign countries have cheaper labor and pastures, making it hard for us to compete.—E. A. MULKEY, Baker.

New Mexico

Cattle are looking up some, but the range is very dry—no rain since last October. Range prospects do not look good at present.—HUGH L. RAMSAY, Deming.

The range is very dry—no winter moisture. Stock is holding up in good condition. There are quite a number of feeder lambs ready for market. Most lambs go to St. Joseph, Kansas City, St. Louis, and Chicago. The lamb market at present is good.—JOSEPH CLEMENTS, JR., Hope.

Oregon

Good yearling steers have been selling at $20, and two-year-olds at $25. No stock cattle have been sold. It is an

unusually mild winter. Many cattle and sheep are being wintered on grass.—EMMETT WHITE, Monument.

South Dakota

Conditions are very poor here. Stock is wintering well. We have had very little snow or severe cold weather so far. We shall need moisture if we are to raise any crops this year.—ALBERT PENN, Buffalo.

The wintering of stock has been greatly helped by the unusually mild winter. Feed conditions, considered questionable in the fall, are now no more a problem, as most stockmen have feed to spare. The winter has been very dry and open; so, with feed on the open prairie and range, stock for the most part is in very good wintering condition up to the present.—BYRON P. SWARTZ, Pierre.

Texas

Everything is coming along fairly well here. Calves have been going out at an even rate. A few breeders are holding their calves for future demand. Some heifer calves are still for sale. The winter has been very moderate. No rain so far. Cattle are doing remarkably well.—DR. A. J. HOFFMAN, Marfa.

Popular Oracle.—Wanted—Dishwasher with knowledge of law and medicine, who can give free legal and medical advice as added attraction to customers.—Ad in the Charleston Daily Mail.

Brevity the Soul of Wit.—"Children," said the school mistress to her class of young hopefuls, "I want you all to write an essay on 'The Funniest Thing I Ever Saw.'"

The class commenced, but one small boy managed to finish before the others.

"Let me see your effort first," said the teacher.

The boy produced a paper, on which was written:

"The funniest thing I ever saw was too funny for words."—Answers (London).

4 Pity's Sake!—

I 1-der when I say 2 you
While earth 3-mains my heart is true
(I never felt like this be-4!)
If 5 a chance at all to win
In this 6-pensive game I'm in,
It's 7-ly to think you mine!
If 8 will only be be-9,
I'll love you 10-derly always,
And 0 shall cloud your happy days.

—Pathfinder.

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